

BOMBAY MUNICIPAL OFFICE.





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# CONSTITUTION, FUNCTIONS AND FINANCE OF INDIAN MUNICIPALITIES.

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PRINCIPAL, ALEXANDRA GIRLS' ENGLISH INSTITUTION.

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## INTRODUCTION.

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### I.—The Place of Municipal Government in a Democratic State.

The study of the constitution, functioning and financing of municipal institutions has, in our times, acquired a peculiar importance and interest for all students of political science, owing to the mutually antagonistic tendencies of Nationalism and Democracy. Nationalism, as it has developed itself in European countries in the last century or two, has shown a steadily increasing opposition to the requirements of true democracy, for it deems itself to be the only 'Open Sesame' to efficiency in administration. On the other hand, the spread of enlightenment among the masses has created a consciousness of the rights of the people which inexorably demands self-government in a sense fuller and finer than that common in the palmiest days of the City States in Greece. The sovereignty of the people is no longer suffered to remain a pious fraud, a legal fiction, permitted to parade itself once in three or five years at the time of a general election for a central legislature; and even then with limitations and in an oblique, imperceptible, ineffectual manner. While the consciousness of popular Sovereignty and the desire to make it increasingly more effective in practice manifests itself in a distressingly acute degree in the councils of a nation, the perception of national interests, as opposed to local or individual interests, has made the modern statesman more and more averse, when once he has been hoisted by popular favour into the seats of the mighty, to allow an indiscriminating latitude for the manifestation of localism as antagonistic to nationalism. It is, in brief, the old, old conundrum in a new form of an irresistible force meeting an irremovable obstacle. Neither Democracy,—that is, the instinct of individualism for self-government,—would yield, nor Nationalism. In the eye of the scoffer and the sceptic, democracy threatens to engender disintegrating forces which might involve needless and avoidable waste in the process of government or administration. Nationalism, on the other hand, threatens yet more fearfully the development of rivalries and animosities which are the most fruitful parents of wars, pestilences, and all that brood of horrors that still keep man little better than brute.

Neither of the two, however, can be sacrificed to the other. We want Democracy to save us from the horrors of the exploitation of the many for the sole benefit of one or a few; and we want Nationalism also, if only as an instrument to achieve that brotherhood of man towards which all political evolution seems to be pointing.

The problem then is: How shall we reconcile these two opposing forces which seem to be so utterly irreconcilable. The State:—the Nationalist State—

as we have now developed it,—will not admit of real, effective democracy in its actual administration both at home and abroad ; and the consciousness of their rights will not permit the people to acquiesce in the patent fraud of parliamentary institutions and representative government and responsible ministers. For once they are set up, all these creatures of expediency conspire to undo their creator,—the instinct of our race for self-government. The only effective solution, it seems to us, lies in the resuscitation of the local self-governing unit,—the revival of the old-time city state—which was the glory and the greatness of all Aryan communities of antiquity or modernity. It is not, indeed, an attempt to resolve into its elements the problem for finding a solution empirically; but rather the scientific suggestion of highly inductive reasoning, which has analysed and examined the difficulties of the problem, and arrived at the solution by a process of experimentation which marks the history of most modern communities of Aryan descent. If every local unit finds sufficient and satisfying expression for its instinct of self-government in a complete autonomy over all the territory which could be conveniently administered as a single unit, and with reference to all concerns and affairs which are clearly of local interest and local benefit; then it would be possible to induce the people so far to modify the conception of the sovereignty of the people as to permit the national concerns to be administered through representative institutions by responsible ministers. The latter is, of course, an apology for self-government; but it is conceded with a view to achieve that federation of humanity which seems to be the professed goal of all enlightened politicians of to-day; since without it, there being no guarantee of equality, there would also be no possibility of fraternity in the family of man. The only explanation, then, for the present day importance of local self-governing institutions, like municipalities, is that the resurrection of this primitive experiment in statecraft seems to be the only solution for reconciling the conflicting tendencies of Imperialism or Nationalism and Democracy or Self-government.

## II.—Why not Revive Village Communities ?

Before, however, we pass on to discuss other questions, let us dispose of one very pertinent question concerning the wisdom of the suggestion mentioned above. If a reconciliation of the mutually conflicting tendencies of Nationalism and Democracy has to be accomplished by the resurrection of the local self-governing unit in all its pristine splendour and effectiveness, why not think of the Village in preference to the Town ? It is, as we have admitted, a most pertinent question, which does not take its original merely in a fanatical belief in the old adage of "God made the country and man made the town." As a matter of fact, the advance of the human race in the domain of modern Industrialism, the acquisition of powers of control over the forces of nature, which seem to have

been unknown to our forbears for centuries past, has made the town an indispensable unit, which, without entirely destroying the village, nevertheless becomes of increasing importance every day in all countries. And if the function of Government is not confined merely to the maintenance of Law and Order,—itself an insult to the intelligence of humanity ;—the best, most economic, most effective unit of government would be found to be a city, or a municipality. Many functions of government can now be most effectively and economically discharged by the larger unit of the city than of the village ; and as we believe the real future of the instinct of self-government to lie in a wider and wider scope being given to local authorities in their activities ministering to the comfort and safety and happiness of man, we have no hesitation in pronouncing the Municipality to be even more interesting a study than the village community and its autonomy. To say this is not, indeed, to negative the necessity of autonomy even for communities smaller than towns. Indeed, village autonomy is as important to-day as it ever could have been in the days of our Aryan ancestors. Our concentration on a study of the constitution, functions and finance of municipalities does not in any way deny the corresponding need of a comprehensive study of the institutions of rural self-government. We may even concede it to be an omission from the present work which might make it appear as but half finished,—an omission for which we may justly say considerations of space as well as of homogeneity were responsible in an equal degree, and which, we trust, would be rectified on some future occasion, by persons better qualified than ourselves to undertake the task. But the answer to the question at the head of this section is, we trust, satisfactory as comprised in these lines.

### III.—Difficulties of the Study : Paucity of Material.

In undertaking a close study of the local governing institutions, particularly in this country, the student will find, at the outset of his enterprise, a very serious difficulty in the scarcity or smallness of the materials for his study. In the course of the study which follows in these pages, we have mentioned, in their appropriate place, such authorities as are available to modern students regarding the historical origin, development and progress of the municipal institutions of India to-day ; but we must confess, in this place, that either such authorities are distressingly few and sketchy where they exist, or at least that they are not easily accessible to the inquirer after the nature and purpose of municipal institutions. Gazeteers and tales of travellers stand on opposite poles of rigid accuracy and romantic ardour in a delineation of detail regarding the history of the principal towns of modern India ; but neither of these,—though by no means over-abundant, can satisfy the student of municipal research, who considers the governing principles and features of modern municipalities from a definite viewpoint. What is the nature and purpose of municipal institutions in modern India ? What

their goal and meaning? If you set out to answer these questions in your study of these institutions, you would find a sad lack of material wherewith to fill in the outlines that may be supplied to you by the tales of travellers or the accounts of gazetteers. And these outlines, as supplied, let us say, by the several constituent acts relating to municipalities in India, are themselves vague and misty, and often more bewildering than helpful to a student unfamiliar with the art of legal draftsmanship and political light and shade which seem to chase each other in the several succeeding sections of the leading municipal acts, whether those relating to the Presidency towns, or those concerning the so-called district municipalities. When you cannot envisage fully even the outlines, how can you discover the hidden purpose and the unspecified, indistinct, perhaps unthought of goal?

One explanation of this difficulty may probably be found in the relatively recent creation of the leading municipalities of this country. There is not that glamour of history reaching back into the misty days when the race itself was in its infancy around Bombay, Calcutta, Madras or Rangoon, which hangs around Rome, or Paris, or London, or even our own Delhi or Agra or Poona or Jaipur. The study of the municipal institutions in European countries has always claimed the attention of the most earnest scholars, for the simple reason that civic sentiment is even stronger than national patriotism, since the city is in many cases more ancient and unchanging than the State. True, in America, the history of the present great cities goes hardly more further backwards than that of the chief Indian cities of to-day; but they have made up for the want of a long history in the United States by the striking fidelity to the instinct for local autonomy, which has made city government and its problems of inexhaustible interest even to the most perfect believer in Nationalism. In India, however, the absence of a long and glorious history, hanging like a halo of departed glory around each city, is unbalanced by any such counterpoise of acquired dignity or utilitarian divinity; and so the proper, comprehensive, scientific study of our civic institutions remains still a desideratum of political and economic organisation in this country. Municipal institutions, like the renovated village Panchayets, have been so thoroughly anglicised that one fails to recognise the old friend in its new garb; and even when the recognition is made, one hesitates to push on with the friendship for lack of proper appreciation of the nature and purpose of the newly discovered friend. For the local self-governing institutions in modern India are merely the creations of administrative necessity in an overcentralised bureaucracy; and though nowadays it has become fashionable to speak of them as the most convenient and suitable beginnings in the eventual fulfilment of the political destiny of the Indian people with self-governing ambitions, it is difficult even now to divest these creations of the British rule of their adventitious character of

strangeness and unfamiliarity, which an earlier generation has from its own experience left us as a legacy.

### B.—Greater Glamour of National Politics in Comparison to Municipal Government.

Lacking alike in historical associations and defective in functional importance, municipal institutions have rarely claimed, in the half century or more of their existence, the undivided allegiance of a first rate political genius or administrative talent. Here and there we might find exceptions, like that of the inspiring civicism of the late Sir Pherozeshah Mehta. But as a rule the greater glamour of national politics, combined with the peculiar tendencies of officialism in India, which have rendered the chief administrators mere birds of passage in their posts of command, has deprived the municipal government of India of that talent and that inspiration or enthusiasm which elsewhere are considered to be its birthright. We are but just waking up even now to the infinite possibilities for good and for service to the community embodied in a proper government of the city, which is but a mirror of the state when rightly looked at. But even so, the personalities that tell and the principles that are put forward as slogans in city elections seem to be but the ghosts of the players on the larger stage of the country as a whole, when they are not the same individuals repeating their incantations and formulas without pausing to consider the verities of the situation. It is no criticism of the individuals concerned, but only a reflection on the general attitude towards civic government and its problems, that the most outstanding personalities in the national life of the country are also the dominating geniuses in civic government in the principal towns of modern India. Only, by that process, the inevitable happens. The city concerns proper tend to be obscured or overlooked in the irrelevant but absorbing zeal for the national concern. We do not, indeed, mean to imply that national politics and problems are intrinsically less urgent and important than the local problems of municipal government; nor do we suggest that the personalities now engaged in or fascinated by the national struggle for self-realisation are doing anything unworthy or unimportant. But the inevitable tendencies of one and the same set of people tackling two different sets of problems is to confuse the issue, and very frequently to sacrifice one set to the other. To give an illustration of our meaning: While the division of opinion in India to-day, so far as national problems are concerned, takes the shape of a struggle for self-determination against the opposition of a non-Indian bureaucracy, the issue of autonomy is no longer capable of being questioned, at least in theory, in the more modest stage of the municipal administration. There the division of parties, if and when it really takes place, would rather go on the lines of Municipalising the public services and the common utilities of the city's population against the opposing might of the vested interests of private proprietor-



ship and individual profit-seeking against the common good. But this question—this issue,—is scarcely even formulated in the leading Indian cities, much less understood or studied.

#### IV.—Natural and Necessary Difference Between Municipal and National Politics.

This, then, is the intrinsic difference between problems of municipal government and those of national politics. Those who devote their time to the latter must necessarily pay no inconsiderable attention to the maintenance of amity or otherwise of international relations with friends and neighbours, so long at least as the governments of all geographic units, however, are not reduced to the level of exaggerated municipalities, by the institution of a world-state with a parliament of man. In the former case the questions most imperatively claiming the greatest attention of the city fathers would be questions of local amenities or comforts, and the best, most efficient and economic modes of providing the same. The evolution of parties consequent upon the manifestation of a difference of opinion regarding the object and purpose, as well as the form and method, of municipal activities would be an inevitable feature of democratic institutions whether in local or in the larger national units; but these parties in municipal administration would proceed on lines entirely different from those of the national parties. It may be that secularisation of the utmost description is accepted as the key-note of municipal functioning; while a leaven of spiritual consideration may not unfitly be mixed up with the questions of national policies and government. It is possible, indeed, that in so far as the evolution of parties in public life is the result of the inherent and initial difference in constitution and temperament between one citizen and another; in so far as there is in one case a greater optimism and a higher trust in the intrinsic goodness of man, which is lacking in another, the parties so formed may partake of the nature of indelible ordinance of an all pervading providence. But in all mundane concerns as a rule,—and particularly in concerns with which local governing institutions like a municipality would be ordinarily familiar,—this fundamental principle of division affecting man as a political animal may be overlooked as insignificant if not as inoperative and non-existent.

In estimating, therefore, the natural and necessary differences between the national and the municipal problems of government, we may justly assume that the existing divisions represented by the different states in the masses of humanity would endure; and that, consequently, the institution of municipal bodies is as much a response to the inherent desire for self-government as a matter of convenience for administrators and governors.

#### V.—The Aim of the Present Work.

It was because we found that a careful, critical and comprehensive study of the constitutions, functions, and financing of local governing institutions in

this country had been neglected ; and because we felt convinced that without a proper appreciation and adequate attention being paid to local governing institutions there would be no hope of an effective democracy in this country side by side with the maintenance of a distinct and vigorous Indian imperial nationality, that we have ventured to offer the following study to those interested in the questions of Indian economics and Indian politics. The question is primarily an economic one, because the success of the self-governing institutions of a modernised type will depend on the degree with which adequate funds are easily found for the carrying out of municipal ambitions of the type we have endeavoured to illustrate in the following pages. But it is also a political study, inasmuch as the work we have attempted never loses sight of the central viewpoint with which it was originally attempted. Municipal development is necessary for the reconciling of seemingly irreconcilable forces :—Imperialism or Nationalism on the one hand, and Democracy or Self-Government on the other. The two may, indeed, merge into one in course of time, if the goal of human political development is accomplished in a brotherhood of man. But until that denouement takes place, the solution of the difficulty now facing many progressive peoples sincerely searching for real effective self-government without weakening or destroying the collective might of their whole community and its right to recognition and respect from the rest of their friends and neighbours, must inevitably be found, we believe, in some such developments as we have endeavoured to lay out in these pages.

With a view, then, to arouse greater and greater attention in the real problems of municipal life and politics, we have made a detailed study of the working of municipalities in general, and made suggestions for improving that working with a view to arouse further and deeper and keener attention in the same. The plan of the study followed in this work is explained briefly in a later section of this Introduction. Here it would be indvidious to mention specifically any of those suggestions which we consider to be natural and necessary for arousing a more intense interest in the people in the problems of their own immediate government. We shall also leave it to the readers to judge for themselves the suitability or otherwise of the suggestions incorporated in the body of the work. But whether adopted or rejected, these suggestions bid fair to challenge public opinion, if for no other reason, because of the inherent instinct for imitation residing in all of us. They in other countries are carrying out intense programmes of municipal activities, which cannot but come to the attention of our people in this country, thanks to the growing facilities of travel and communication between the peoples of the world. And when such problems are forced upon their attention by the irresistible force of instinctive imitation, would it not be as well to insure against the possible danger of misfeasance by a timely preparation for the same ? The formation of Voter's Leagues as a sort of incessant watchdogs for safeguarding the public interest of the community

is but one instance out of scores that may be cited for showing how in actual practice they in other countries endeavour to make real and lively the process of self-government in the city. We would only content ourselves, in this place, with the summary mention of our conviction that without a definite orientation in the central viewpoint regarding the nature and scope of municipal activities as well as the purpose and object of their being; and without a radical change in the character and volume of the functions assigned to them and the financial facilities accorded for the carrying out of those functions, there can be no hope of attracting that degree of attention to the problems of municipal government which is justly, intrinsically their due.

The ideal underlying the suggestions for constitutional as well as functional and financial reform of the municipalities in this country is apt to be misunderstood, if we did not interpose a word in that behalf in this place. We have spoken of Municipal Home Rule and made suggestions for securing that objective, not because we desire to create an impossible and an absurd *imperium in imperio* or a dualism in allegiance and authority; but because, in conformity with our viewpoint of reconciling the rival tendencies of centralising and decentralising forces at work amidst us, we have found this kind of devolution to be the most effective solution for the root evil. There is nothing inherently impossible in a simultaneous exercise of national patriotism and civic enthusiasm. The two are facets of the same diamond, and no citizen can be the poorer for the possession of both. In fact, the logical extension of our central objective would even result in a reconciliation of international brotherhood in some concrete form of a world-state and of local autonomy, which will then be the only guarantee of efficiency in administration. So there is no danger, we trust, in an undesirable intensity of local sentiment developing at the expense of national patriotism, and as a result of the greater extension of municipal activities and a better, more liberal constitution of municipal authorities as recommended in this work.

## VI.—The Plan of the Work.

Remains now to say a word only regarding the plan of study followed in this work. We had no intention to transform this work into an annotated edition of the respective legislative enactments; nor did we desire to make of it a *vade mecum* for inquisitive sight-seers or impecunious politicians. We aimed at making the study instructive and interesting in an equal degree; and, to that end, we have endeavoured to lay out, first, the general principles, as we conceived them, after a careful study of each problem in the light of experience gathered in other countries regarding that problem; then we have summarised the achievements or experimentation in the particular field in the most advanced and progressive municipalities of European and American countries; and finally applied the lessons so gleaned to Indian conditions. In the specific object of our study,—

Indian municipal institutions,—we would have presented a needless and unprofitable maze of often unintelligible regulations which are frequently repeated, if we had aimed at reproducing the statutory and administrative provisions and regulations in each particular case. We have, instead, followed the system of taking the most advanced and important municipalities; those namely, of the presidency towns of Bombay, Calcutta, Madras and Rangoon; we then studied their constitutions and activities rather carefully and in detail, with, of course, a greater emphasis on the facts of the most advanced even of these municipalities:—that of Bombay; and, lastly, we have made suggestions for their common improvement. The other municipalities have not been altogether ignored, though considerations of space as well as harmony have enjoined upon us the necessity of restricting their study in rather narrowly restricted limits. The example of European and American municipalities is repeated by way of illustration in each case of interesting departures in policy and functioning as it would appear in India; and the justification, we may add, of the comparative indifference in respect of the second-class municipalities of this country may be found, not only in a fuller attention being paid to the European and American prototypes, but also in the reflection that after all the second-class municipalities would hardly have anything novel and interesting to tell, which would not be told by the activities and constitution and financing of the first cities in the country.

In conclusion, we would thank all those authors and officials to whose works or courtesy we are particularly indebted in the composition of this work. Mention has been made in the body of the work of each particular author whose researches have helped us in our task; and it would, therefore, be invidious here to single out for special acknowledgment any particular individual. The courtesy of the Municipal chiefs of Bombay, Calcutta, Rangoon and other Indian cities, in lending us freely their Administration Reports, and supplying us readily and sympathetically with full information on points of administrative importance, has laid us under a debt of gratitude, which cannot but merit particular notice in this place. Especially must we record our sense of obligation to Mr. Clayton, the Municipal Commissioner, Bombay, Mr. Trivess Smith and Mr. Cameron both of the Bombay Municipality, whose ready response to all our queries has materially added to the value of the work. And last but not the least must we mention Mr. E. R. Tairsee, who not only originated the idea of such a work, but used his best endeavours on every occasion to obtain for us all the information, including books and papers, bearing upon the several problems discussed.

University, Bombay,  
1st November 1925.

K. T. S.  
G. J. B.



# BOOK I.

## CONSTITUTION OF MUNICIPALITIES.

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### CHAPTER I.

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#### CONSTITUTING AUTHORITY.

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##### 1. ORIGIN AND PURPOSE.

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During the last fifty years, municipal institutions have made such vast strides that it is difficult to reconcile the municipality of our own times with its crude ancestors of a century ago. From very humble beginnings, the municipalities have grown until the municipal corporation at the present day in some modern cities is able to cater to each and every want of the civilized man. In Germany, the cynosure of all eyes, municipal administration has reached such glorious heights that other municipalities would fain strive to scale the ladder and attain those wonderful summits. The German city fathers' one concern is how to better the lot of their fellow-citizens. From their fertile brains emanate no sordid thoughts of gain or lucre; of stealing a march over their neighbours or seeking their own good at the expense of their city. Their minds are invariably occupied with devising means to satisfy the demands of their citizens from the day he is born to the day he is dead; so that it might be true to say that there is hardly a want of civilized humanity which German Municipal enterprise cannot or does not satisfy.

The municipality, as we know it to-day, may be a recent growth, but the soil for it had been prepared hundreds of years ago in the East as in the West. In all Aryan communities, at least, local governing institutions have been in existence for a very long time. It is almost impossible now to divine the mystery of their existence or ascertain the motive force which first brought them into being. The Mark, the Mir, or the Manor in the Teutonic, Slavonic and the Celtic races in Europe corresponds to the Village System of India and other eastern countries as a unit of local government. In consciousness and purpose, all these institutions seem to be identical though in the course of history, and according to the vicissitudes of different races, the actual form of these institutions in the several countries may be different.

Reasons for  
modern develop-  
ment (a) ad-  
ministrative  
convenience.

But though local governing institutions based on the village as a unit are common from the earliest dawn of history in the nations of Aryan descent; though, therefore, it may be difficult to determine exactly the motive springs of their origin, the reasons for their development and refinement at a later date are not quite so difficult to ascertain. And even as regards their origin, there are prominent forces at work, which demand the institution of local governing units and which are common to all communities that have made any progress in political evolution, in social organisation, in collective consciousness, collective effort, collective enterprise. Two reasons of specific or immediate importance for the institution and development of local governing institutions, in the town as well as in the country, will be recognised, immediately they are mentioned, by every one familiar with the problems of administration in every country. Convenience in administration is the first of these. Every modern country, with any pretension to civilization is a more or less centralised form of national government, which is inevitable if the community is to exist and maintain its position among sister communities similarly organized. But such centralization is fatal to the proper government of the smaller units constituting the nation as a whole. And, therefore, rural and urban local governing institutions are created or developed with a view to afford as much relief to the central state or national government as may be possible under the circumstances. Whether this reason of administrative convenience was the driving force in the days when civilization was young, it is impossible and immaterial to decide. But this much must be admitted: that, at the present time at least in every community, whatever may be the other reasons contributing to the maintenance and fostering of local governing institutions, the reasons of administrative convenience are equally effective in all countries. And so long as organisation on a national or imperial scale is considered to be necessary for the glory of the state, the local units will continue to be developed and maintained.

(b) Training  
ground for lar-  
ger democracy.

The second reason for the institution of local units is not perhaps of such universal application as the first, but is nevertheless equally important, at least to us in India. "Municipal Institutions," says De Tocqueville,\* "are to liberty what primary schools are to science. They bring it within the people's reach; they teach men how to use and how to enjoy it. A nation may establish a system of free Government but without the spirit of municipal institutions, it cannot have the spirit of liberty." Local governing institutions are thus regarded as a sort of training ground, where the youths and the veterans of the city might gain that experience and insight into the heart of men and things, which might fit them for the more complex work of State Government. But this presumes that local governing institutions were contemporary with the central institutions. As a matter of history, however, local governing institutions are really the

\* De Tocqueville: Democracy in America. Ch. 5

more ancient: hence the suggestion of using them as a sort of training ground for the more imposing work of national statesmanship would seem to be needless and irrelevant at least as regards the West. As regards India, however, owing to the centralising tendencies of our Industrial age, De Tocqueville's remark has come to possess a novel degree of truth and applicability. Under the present system of Government, forms and methods of administration have been developed, which tend to bring all the most effective powers on subjects of the most direct interest to the people in the hands of the central government authorities. And the moment the latter desire or are compelled to recognise the necessity of a greater and greater association of the people of the country in the task of government, the plea of utilising the local institutions as a drilling field for the more complex work of national government becomes irresistible. Of course we do not imply that when once the object of complete association of the people of the country in the task of the national government is accomplished, the local governing institutions in the town or the country would be dispensed with. These last will endure, because they transcend reasons of immediate administrative convenience or political expediency.

This last consideration leads us to the third, and, in our opinion, the real decisive reason for the maintenance and fostering of local governing institutions at the present time. There is a definite type of social problems which can be solved only by local governing institutions. The city differs from the country in having a specially marked type of population, with its own peculiar problems. These problems have their own place and importance in the general social organisation; and the latter cannot be maintained without attention being paid to the special problems of cities and their citizens. The origin of the city may be due to a variety of reasons; and the idea of city life and its objective may be different in different countries at different times; but once the city is brought into existence, its people and problems cannot but demand special consideration.

(\*) Existence of a definite type of special problems.

"The modern town is a result of the desire to produce and distribute most economically the largest aggregate of material goods; economy of work, and convenience of life, is the object. Now, the economy of factory co-operation is only social to a very limited extent; anti-social feelings are touched and stimulated at every point by the competition of workers with one another, the antagonism between employers and employed, between sellers and buyers, factory and factory, shop and shop. The town, as an industrial structure, is at present inadequate to supply a social education which shall be strong enough to defeat the tendencies to anti-social conduct which are liable to take the shape of criminal action."\*

This places the civic population at once in a category by itself. Besides, however, the differences in social tendencies and outlook, the city population is

Characteristics of city population.

\* Hobson's *Evolution of Modern Capitalism*, p. 340.



of necessity more heterogeneous; and the heterogeneity grows with the growth of the city. While neighbourly fellow-feeling is the dominant sentiment in rural areas, class consciousness, with its inevitable conflict of interest, emerges unavoidably in the cities; and it then becomes the supreme task of better education and of a higher social ideal to repress these unwelcome tendencies and to carry out works of greater social utility.\*

The task of co-ordinating all these special problems of a clearly distinct type of population makes the role of local governing institutions, particularly in towns, more important than ever to-day. Their help in simplifying the task of national administration, and at the same time in promoting the realization of the social idea is a further count in their favour.

## II.—Growth of Municipalities.

Comparative  
Statistics.

In European and American countries, the present day importance of Municipal Government lies in the rapid growth of new towns in population and wealth. Dresden has grown in 40 years by 350 p. c. and in other towns too, as the following table shows, this increase has been equally remarkable :—

	Pop. 1880	Pop. by latest Census	% Increase
Cincinnati .. ..	255,139	401,247	59
Breslau .. ..	272,900	528,260	90
Buffalo .. ..	155,000	506,775	226
Cologne .. ..	144,800	640,940	342
New Orleans .. ..	216,000	387,219	81
Dresden .. ..	220,800	587,748	167
Louisville .. ..	123,758	234,891	90
Hanover .. ..	122,800	392,805	221
Providence .. ..	104,850	237,595	130
Nuremberg .. ..	99,519	359,794	260
Rochester .. ..	89,366	295,750	232
Chemnitz .. ..	85,000	303,986	257

Growth of  
Towns in India

The growth of towns in India in recent years is by no means so remarkable as in other countries, though, in this country, too, there is a steady tendency observable in the concentration of population in large industrial and commercial centres.

Present day  
importance of  
Municipalities  
in India.

It is not merely in the relatively rapid growth of towns however, that we must seek the explanation of the present day importance attached to municipal work in India. The Supreme Government have always insisted, in the last half

\* The following evidence would, we think, be as surprising as it is indisputable :

“The physical examinations of those presenting themselves for examination for entrance into the national army of the United States, in 1917 and 1918, have shown that a higher physical standard is attained by recruits from the city than by those from the country. Of the total number rejected as unfit 63% were from the country and 27% were from the cities.”  
Goodnow op. cit. p. 28.

century at least, upon regarding the towns as good centres for a training ground in democratic government and self-governing responsibility. The advanced section of popular sentiment also, has of late come to concur with Government in giving its due importance to the municipal administration and its problems, though for radically different reasons. Popular radical opinion in India looks upon municipalities as a good training ground for the eventual fight in the interests of democracy that is looming ahead.

### III.—Local Governing Institutions in India.

For all these reasons, local institutions are and will be of special interest and importance in this country, and will occupy a most significant place in the general scheme of our government. Though the municipalities in their present form, may be the creation of British rule in India, it must not be overlooked, however, that both in the town and in the village, they have existed in this country from time immemorial. The antiquity of the village system has never been questioned. And even as regards the towns, from Vedic times onwards, there is mention of a definite form of civic government which attained to considerable proportions in the Buddhist period; and which has never lost that importance in the ages succeeding. Megasthenes' description of civic organisation is but one indication of several, which could be cited to show the hoary antiquity of municipal life in India. He speaks of town officials as being divided into six Boards of Five (Panchayat!)

Towns in ancient India.

"The respective functions were (1) supervision of factories, (2) care of strangers including control of the inns, provision of assistants, taking charge of sick persons, burying the dead, (3) the registration of births and deaths, (4) control of the markets, inspection of weights and measures, (5) the inspection of manufactured things, provision for their sale with accurate distinction of new and second-hand articles, (6) collection of the tax of 10 per cent charged on sales. The six Boards acting together (town council?) exercised a general superintendence over public works, prices, harbour, and temples."

Centuries before, the great law-giver Manu and the author of the Artha-shastra write in a similar vein; and two thousand years after them the Minister of Akbar, the great Abul Fazel suggests the same course of development.

With such a history and organisation, it would be inaccurate to speak of town life, its ideals and methods as embodied in the municipal constitution and functions of our days, as being the creation exclusively of British rule, as is often suggested by the panegyrists of the existing regime. British rule has only imposed new or different ideals, and suggested different methods from those in vogue among us formerly. In fact, critical students are not wanting who ascribe the relative

Influence of British rule in Municipalities.

\* Megasthenes' Fragment quoted in Cambridge History of India, Vol. I, page 418.

stagnation of Municipal Institutions in India to the uncongenial or incompatible association of ideals and expedients, which the present day mixture of the East and the West in these institutions involves. The British Government created municipalities in India to suit their own needs. Administrative convenience had become a necessity of the Central Government and decentralization was therefore inevitable; it took the form of entrusting authority to purely stipendiary officials, then to committees of officials of particular localities, and later on to committees composed partly of officials and partly of unprofessional members nominated by the central authority, or selected by the localities or local authorities.

Evolution of  
Devolution.

Decentralization, as an accepted principle of public policy in the Government of India, however, came definitely into vogue with the regime of Lord Mayo and was made classic by the famous resolution of Lord Ripon which declared:

"It is not primarily with a view to improvement in administration that this measure is put forward and supported. It is chiefly desirable as an instrument of political and popular education. His Excellency in Council has himself no doubt that in course of time, as local knowledge and local interests are brought to bear more freely upon local administration, improved efficiency will in fact follow."

The Decentralization Commission of 1909 adopts the same general principle, for the same reasons; and the Government of India resolution on Local Self Government of 1915, as well as the Joint Report on Constitutional Reforms, 1918, are based on the same ideal. Lord Ripon's idea of developing local self-governing institutions in the town and in the country was obscured or ignored by the tendency to excessive centralization under his successors, which culminated under Lord Curzon. The reaction that followed was largely due, perhaps, to the rebellion of provincial authorities against the overwhelming might of the central government; and the schemes of decentralization which were suggested in consequence had for their objective and inspiration the freeing of provincial authorities. But the inevitable result of this tendency was a greater and greater autonomy in the local governing institutions proper, so that at the present time the general principle of securing complete self-government in local institutions is no longer open to question.

#### IV.—Present Position of Local Governing Institutions.

The latest  
phase.

Whatever may have been the historical origin of the continued evolution of forms of local government and methods of administration, at the present time all local governing bodies must be considered to be the creations of specific statute by the central sovereign legislative authority. In England, for example, the town councils are historically much older than the national Parliament; but in their present form all Borough Councils, Rural and Urban District Councils, are the

creations of the central legislature. By its very definition the Municipal Corporation, according to the standard treatise of Dillon, is :—

“The incorporation, by the authority of Government, of the inhabitants of a particular place or district and authorising them in their corporate capacity to exercise subordinate, specified powers of legislation and regulation with respect to their local and internal concerns. This power of the local Government is the distinctive purpose and the distinguishing feature of a municipal corporation proper.”\*

The prerogative of the Sovereign in the British Empire to create Municipalities or Boroughs by Royal Charters of Incorporation is, if not abrogated and obsolete, so much in abeyance that we can scarcely speak of the prerogative as at all an effective authority in the creation of municipal corporations. And in India, in any event, the Royal Prerogative has never been exercised. It has always been the legislative authority which has constituted, regulated, and superseded when necessary, municipal corporations.† And though the still more ancient form of local government, the village system, has endured, even under the British rule, very much in its original form, that institution also has not escaped the attention of the modern Legislature.

At the present time, it is Provincial Governments that create and regulate Municipal corporations through their legislative councils. The Central Government has very little direct influence in the matter though its indirect influence, is considerable. It has the right to prescribe and regulate the borrowing powers of local governing institutions and to sanction or disallow any grave or radical changes in the powers and duties of municipal corporations. The Central Government also derives its importance from the fact that for a considerable period there were no local provincial legislatures for legislating on subjects of local importance; and because there are points on which the Central Government cannot waive its powers of approval or supervision without stultifying its own position. For example, the foremost municipalities of India are also the most important ports or harbours in the Indian Empire. Under the constitution of 1919, ports are regarded as within the jurisdiction of the Central Government probably because ports are the centres of foreign trade, which is within the powers of the Central Government. There may also be reasons of Defence which thus indirectly secure control over the municipalities of these port towns to the Central Government.

It would be a distinct advantage to the progress of municipal organisation if the regulation and development of corporations were left entirely in the hands of the provincial authorities. The provincial government is better able

\* Dillon on Municipal Corporation Vol. 1, Page 59.

† But in India where all the powers of the crown are practically exercised by the legislature, the power of guarding corporations is vested in the said legislature and a Municipal Council can exist only by an act of the legislature.

P. D. Ayangar's Law of Municipal Corporations in British India, Page 13.

to cater to local requirements than a distant central government might be. And though the reservation of exclusive power to the Central Government for regulating the borrowing powers of the municipalities may be justified on the score of administrative necessity to preserve the financial solidarity and the credit of the Government of India, it cannot be denied that the exclusion of such powers is inconsistent with the full development of the municipal bodies. The Central Government may be able to take a more correct view in proper perspective of the ability and resources of a municipality. It may also be relatively freer from local prejudices than the Provincial Government. But when allowance is made for all these factors, and when account is taken of the necessity to co-ordinate the powers and authority of two co-equal bodies, such as a municipal corporation and a Port Trust, it must be admitted that the more appropriate authority for legislating on the municipal constitution and powers must be pronounced to be the Provincial rather than the Central government.

## CHAPTER II.

### STRUCTURE OF MUNICIPALITIES.

#### I.—What does the Municipality stand for?

In considering the constitution and functions of municipalities, we must first understand what a municipality is an expression of, and why municipal organisation has come into being at all. There are three possible, and not mutually exclusive, and inconsistent, answers to this question :—

Three-fold purpose.

A. Municipal organisation may be an expression of the political consciousness of the civic community contained in local republics.

B. That organisation might be an essay in civic aesthetics.

C. It may be an expression of civic utility and civic amenities.

As already observed, these are not mutually exclusive or inconsistent aims; but they have each their own special importance. The civic organisation expressing predominantly the political consciousness of the community is a thing of the past; though its echoes and reflections survive even to-day, and influence civic life and ideals and generate civic patriotism. It was in Greece that this consciousness began to manifest itself when the City became the State.

“The City State was an organisation formed by people for the most part descended from the same stock and worshipping the same Gods which were peculiar to the particular state”.\*

But even in Greece, when the city became a state it was not confined to the town walls only. Athens, the most famous, enlightened and influential of the Greece Cities, comprised, at the height of its power, the city proper together with the whole district of Attica, and a number of the cities of Central Greece and of the Ionian Isles, as also a considerable district on the coasts of Asia Minor. In Imperial Rome the original idea of Roman citizenship, and the importance of Rome as the source and centre of all authority survived long after the driving force of the City and its dominating position had been deliberately dispensed with by the wisest and the most powerful among the Emperors.

In India, this characteristic of a common bond of family Gods—the Lares and the Penates—uniting a local population is supposed to be found rather in the village community than in the civic population. The evolution of the city is a little difficult to trace through the ages of our history. The village

\* Goodnow op. cit. page. 44. \*

community retained almost intact its vitalizing principle and motive force throughout the ages. But the city does not seem to have maintained the same self-contained independence and exclusiveness that could justify us in regarding it as a consistent and persistent unit of local self-government embodying and expressing the consciousness of political unity and civic independence. Imperialism is not a new force on the Indian soil. Even if we leave out of account the legendary empires of the dawn of history, the great empire built up by the Mauryas in the fourth century before Christ, cannot be ignored. The influence of this empire and its centralizing tendencies were necessarily fatal to the growth of civic independence. Nationalism of the modern type may not perhaps have flourished in ancient and mediaeval India, probably because the strong inherent bias in favour of Imperialism as embracing the whole of the Indian continent made local nationalism of the European description inconsistent and unnecessary.

Civicism vs.  
Nationalism

At the present time then, we cannot consider, municipal organisation as embodying the consciousness of civic independence as a distinct political entity. For Civicism is inconsistent with Nationalism. For good or for evil, we seem to have adopted all over the modern world the creed of nationalism, which, in its most finished expression, implies a subtle antagonism to the bond of humanity, to the unity and equality of all races of man on the earth. The city as a political entity in itself and by itself has no future against the national state; though paradoxical as it may seem, the city may regain all its influence and importance in a federation of the world. The World State, when it comes into being, will have to recognize the dominant peculiarity of local units, which must therefore be accorded efficient and sufficient autonomy to serve their own peculiar needs. And, accordingly, those who believe in the future of democracy; those who feel the predominance of social and sociable as against the national and insular instincts of to-day must hope for the resurrection of the City only when they have helped to form and foster the world federation. If citizenship and civic virtues are to be revived, patriotism of the present type will have to be condemned as a vice, or lost in the fellow feeling of our common humanity.

## II.—Municipal Organisation as an Expression of Civic Beauty.

Municipal or-  
ganisation for  
Civic Beauty.

At the present time the role of the municipality seems largely to be that of the purveyor or minister of civic beauty. As already explained elsewhere, the city population has its own needs and problems and makes the planning of the cities a distinct art and science. It takes pride in the beautification and adornment of the land they inhabit. The might of tradition has indeed a great deal to say in determining the intensity of civic consciousness. The driving force of contemporary requirement is also an equally important factor. But its need has yet to be perceived. Where cities have come into being by the gravitation of

local industry, the wastage of industrial life upon the nerves and fibres of the human element congregated in such centres forces upon the governing authorities of such places the necessity for some definite plan and purpose in the lay-out of the town which has had to be ignored in the past. But it would be a great mistake to regard the town planning proposals of to-day as motivated by the instinct of disintegration. The slogan of "Back to the country" finds no echo in the hardened civic breast. Modern town-planning is the child rather of an instinctive liking for Beauty that civilized humanity has always displayed in every place.

"City planning, as the term implies, is the science of designing cities. It includes the laying out of streets, boulevards and park-ways; the location of arrangement of civic centres, squares, playgrounds and parks; the designing of sewage, of water supply systems; the grouping of public buildings, the planning of river fronts, docks, terminals, and stations; the determination of roads for trolley lines, over-head railways, subway and steam roads, the division of cities into zones for the grouping of like industries and the separation of residential sections from those devoted to commerce and manufacture; the regulation of the size of lots and the size and character of buildings; and many other matters pertaining to the development of cities. The purpose of city planning is to make cities efficient and beautiful."\*

Designing and planning of the city is thus a complex problem, which has to take into account as much the requirements of the existing population and its expansion, as the might of past tradition and vested interests. The task cannot also ignore the limiting condition of the wealth or the resources of the city. The beautification of the city must necessarily be conditioned by the resources. These may remain unknown, so long as the consciousness of citizenship does not come into being as a motive force, and does not make a demand upon them. There is, besides, an inherent ability in these resources to expand in a geometric, progression which can only be realized when they have begun to be exploited. It would be impossible to say in advance how far the beautification of the city has to be limited and restricted by the wealth of the city. All that we can say is that the adornment and improvement of the city, its layout and planning, must be considered with reference to the wealth of the city, actual as well as potential; particularly when we remember, as we must, that the city to-day is no longer an independent and exclusive unit by itself, which needs to consider none other than its own requirements.

The beautification of the city must also be limited by the topographical conditions of the place. It is indeed possible in these days to superimpose solid ground on sheets of water by vast projects of reclamation; to demolish hills and reconstruct planes; to divert rivers and create canals; to place bridges across them; to

\* Pollock and Morgan—Modern Cities, Page 15.



build walls and wharves, and docks, and harbours along them ; and in a thousand ways to alter the natural features of the original topography. But considerations of economy often demand that projects of civic planning shall be framed with reference to the existing features of the city, as far as possible, and the excellence of the city planner will quite rightly be judged by his ability in reconciling and utilizing to the greatest possible extent the original features of a city with the requirements of civic beauty and civic utility.

### III.—Municipal Organisation an expression of civic utility: a purveyor of civic amenities.

Organisation  
for Utility.

If we have given the pride of place to the requirements of civic beauty, we are not unaware of the predominant demands of civic utility. Beauty and Utility are not necessarily inconsistent. The useful is not the enemy of the beautiful. The skill of the civic organiser or designer will be measured to a very large extent by his ability to reconcile and conform the two. The German cities are an illustration to show how the purveyance of all the amenities of modern civilized life can be combined with the demands of civic beauty. There are cities to-day in the old and the new world where almost every and any want of a civilized human being can be and is met by municipal enterprise, from the day he is born to the day he is dead. Yet the cult of Beauty is in no way sacrificed to the search for utility. There are municipalities which provide and maintain their own maternity homes and lying-in hospitals for their citizens to be born in ; their own creches for them to be nurtured in ; their own schools and colleges and technical institutions of all sorts for their future citizens to be trained in for the struggle of life that awaits them ; their own establishments for the supply of books and instruments, for the provision of playgrounds and recreation fields to make them strong both in body and mind. There are municipalities which provide a varied wealth of employment for a considerable section of their citizens in a host of productive enterprise conducted by them. There are municipal hotels, cafes and restaurants for the citizens to live and dine in, where the food and all the requirements of its preparation and aids to its seasoning as well as all the conditions of its surveying are fulfilled under municipal ownership, control and management. And, when the day's work is done, there are municipalities which provide for the citizen their own transport service in a variety of forms. Then there are homes built by municipal enterprise on the lots provided by the municipality and lighted and warmed and furnished and maintained by municipal enterprise in all the amenities of modern civilized life including sewage and drainage and water supply. There are municipal libraries for the citizen to employ his spare time in, or municipal theatres and music halls and opera houses for his recreation or amusement. Municipal gymnasiums, swimming baths and riding schools, parks and playgrounds cater for his physical needs. At the end of the ordinary life of the citizen, there is the municipal burial ground or

the municipal crematorium, where the dead body of the defunct can be carried in municipally owned hearses and disposed of by municipally employed attendants. And to crown all, there are extensive municipal buildings for the commemoration of the departed in any forms of statuary or painting that the friends and relations of the deceased might require. In brief, from the cradle to the grave, there is hardly a requirement of civilized humanity which could not be fulfilled by municipal activity.

The original conception of proper municipal functions did not perhaps embrace all that the demands of modern life require. But steadily and surely the realm of municipal functions has been extended, the scope of municipal enterprise amplified, with a view to make the civic organisation as useful and amenable to the citizens as may be possible. But here, as in the quest for civic beauty, the limiting conditions of local wealth and local resources will be a factor that cannot be ignored, with the further proviso that the possibilities of local wealth and resources cannot be adequately or actually gauged by people who have not tried them at all.

Scope of Municipal activities.

The vicissitudes of history show considerable ebb and tide in the importance of the city as a unit for the purveyance of local amenities. The jealousy of the central government of any local organisation rivalling it in the affections of the people has a great deal to say in the weakening of the city as a force in the supply of such amenities. Several functions and powers have been definitely removed from the city, as inconsistent with the existence of a central state of which the city is only a part. Modern cities for example, have no foreign relations of their own; and most of their military powers have been abolished, or survive only in the police force that owes a divided allegiance to the state authorities and to the central powers; while even the ages old power of administering their own judicial affairs has been curtailed by the growth of the central State, which has established its own high courts, police courts, small causes courts, and city courts with a medley of authority, jurisdiction and powers, which are all united in the one ideal: exclusion of the City from the administration of justice. As a compensation perhaps, or as a satisfaction of the municipality and an admission of incompetence in the central government, certain other powers are assigned to the city organisations which were either unknown in the past, or are impossible to be exercised by the central state. But even in the latter case, the city is prompted to exercise by itself, or conjointly, certain of these powers rather as an agent of the central government than as an independent entity in itself.

The recent changes in the character and outlook of civic populations, and in their economic and social requirements have once again brought about a radical change in the viewpoint of the central government regarding cities as being something more than merely the agents of the central government. The hope of

the rising generation for the betterment and beautification of life and its conditions comes once again to be affixed to the City and its organisation, as likely to be potent factors in that consolidation of the entire humanity that must be accomplished in the achievement of a World State over-riding and ignoring national boundaries. With the resurrection of the civic ideal, Democracy will no longer be a fad or a farce. Real substantial independence and self-government can only be found in the extension of civic enterprise and the expansion of civic functions. The city is *par excellence* the organisation for the satisfaction of the people's immediate personal and social needs; and as such it will not only claim the allegiance and affection of its own population; but in the convergence of that affection and allegiance upon the central goal of the common humanity of all the peoples of the world, it will help very materially in the eventual formation of the World State, which will reconcile humanity with the most complete Imperialism by basing itself on the most absolute autonomy without antagonism *inter se*—of the local units.

#### IV.—Municipal Structure in relation to Municipal ideals.

Organisation  
and Ideals.

Whatever may be the guiding force and dominating ideal of municipal organisation and activities, it must be recognized that the structure of the municipal organisation must be so designed as most effectively to fulfil the main aim of municipal life. For this to be achieved, the structure of municipal constitutions must contain elements of elasticity, that can fit automatically the constitution for the changing needs and expanding requirements of municipal life. Municipal autonomy, or local self-government, will wear quite a different aspect, according as we stress this characteristic of the municipality to be able to fit itself, of its own accord, to all the requirements of its changing population, of its broadening outlook, of its varying life. As a concrete example of the conception of municipal autonomy, let us mention the relation of the municipality to the central government. There must be nothing in their mutual relations to prevent the municipalities from extending their functions or increasing or exercising their powers, with a view the more fully to meet and satisfy the civic ideal. This does not mean that there should be no buckle that unites, no hyphen that joins the State to the City government. All that we imply by our demand for municipal autonomy is that the municipal structure should be flexible, its powers and functions must be so designed and framed as to make it least difficult for it to serve the civic needs. On the other hand, by elasticity we do not mean looseness in the structure of the municipality. Efficiency is not a whit less important in the functioning of the municipal structure than elasticity; and the combination of the two is the ideal which must always be aimed at in the formation of the municipal constitution. It may be indeed that the necessity of maintaining a strong central government, requires that no constitution of a municipality can be altered, no extension in its powers and functions can be contemplated, without

the sanction and approval of the central authority, as signified in the form of a reforming Act of that body. It may also be, that in the actual exercise of these powers, the central authority may demand such a guarantee of efficiency, as would never admit of efficiency being overlooked by the local governing authorities. But neither these powers of initiation and enactment nor of control and supervision should be viewed as an infringement in any measure of the primordial importance of the municipality. They must only be considered as additional safeguards, as a sort of a second line of defence, for the due provision and satisfaction of local amenities and local needs.\*

#### V.—Contrast of the Ideals of Municipal Life and Organisation in the European, American and Indian scheme of municipal polity.

The demands of flexibility in the organisation of municipal constitution are met in different ways in different countries. In America, for example, which is regarded as the home of modern democracy, the growth of imperialistic tendencies has brought about more than one revolution in the constitution and functioning of municipal organisation. We shall consider in the next chapter more fully some general principles that must be observed in the framing of municipal constitutions. But here we must note that, quite apart from the historical tradition behind local governing institutions in the several countries, those institutions are growing on their several lines in the different countries determined each according to the exigencies of their own particular requirements. In America, starting with the idea of complete local democracy, representing in all its essential features, on a smaller scale, the scheme of central government as established in the States when they became an independent power, they have now passed through the various stages of distributing the municipal council and superseding it by a small Board or Commission, to be eventually lost or merged altogether in some cases in a single City Manager. In the continental countries of Europe, on the other hand, though the inroads of central government have succeeded in modifying the independence and local autonomy of these cities, they are nevertheless able to function fairly flexibly with their elected councils and centrally nominated executives, with or without an officially appointed Mayor. In England, again, they have developed the modern Borough Council, which has its own departments of administration presided over by responsible heads of departments in the service of the local council, and governed by the committees of the council importing a lay element into what would otherwise be a wholly, distressingly bureaucratic organisation of civic administration. These several forms have helped, each in its way, towards the realization of the particular municipal ambitions of each local entity in each several country. And so the demands of

\* In England, they provide for every such extension of municipal activities by a special Act of Parliament. In India, the governing Act very often grants power to the Local Government to make by-laws for such extension, and so avoids the necessity of special legislation each time.

flexibility in the municipal constitutions have been fulfilled, strangely enough, equally in those countries where the municipal organisation itself has the powers and capacities for expansion of functions and extension of responsibility, as also in those other municipal organisations, which, though containing such powers and capacities are still obliged to demand from the central constituting authority further powers and responsibilities by special enactments of the latter. The constituting, sovereign authority of the State has seldom denied such extension where their compliance with such requests was due to a desire in the municipality to secure for themselves greater convenience in administration, or to a real wish to see municipal organisations functioning and developing so as more fully to meet the local requirements.

Ideals of Municipal organisation in India

In India, however, the position of the Municipal organisation, notwithstanding the development of recent times, is still vague and uncertain. We may take it, of course, that municipal institutions have come to stay in this country. But the acceptance or the adoption of the ideas of complete local autonomy and local responsibility, has yet to be achieved. The analytical study which follows of the municipal constitutions and functions in India will make more clear with specific and appropriate illustrations in each case how utterly the element of flexibility is lacking in the municipal organisation,—and, *a fortiori*, in the local governing organisations in the rural districts in this country.

## CHAPTER III.

### SOME GENERAL PRINCIPLES GOVERNING MUNICIPAL CONSTITUTION.

In the frame work of Municipal constitutions certain general principles have to be observed which would govern and determine the very cast and model of these institutions. The main questions that have to be asked, before we determine the general formation of municipal organisation, are :—

- (1) To what extent are municipal constitutions to be regarded as miniature reproductions of the central constitution in a democratic community, with its peculiar co-ordination between the legislative, executive and judicial authorities, relating to the civic organisation ?
- (2) To what extent must effect be given, in the frame work of the Municipal constitution, to the ideal of the responsibility of the local executive to the local legislative ?
- (3) Thirdly how far should Municipal constitutions be made susceptible, responsive, or amenable to the play of party politics ?

#### I.—Municipal Constitution a Reflex of State Constitution.

As regards the first of these questions, let us observe at the outset, that the attempt at exact reproduction on a smaller scale of the ideals which dominate the organisation of the central state need not necessarily find an expression in the Municipal bodies. The organisation of a central state may often be the result as much of external factors as of historical traditions and of immediate requirements. The militarist aims, for example, of modern states may be considered to be due to the force of historical conditions and physical environment or political grouping, as much as to the peculiar tendencies of the local population. The Municipal organisation, however, will lack very considerably in efficiency and effectiveness if it merely copies such a central organisation and therefore care must be taken that the municipal constitution is suited to the needs of the city.

Since the institution of city government is to be framed predominantly with a view to meet most effectively and expeditiously the requirements of the local population, we must have very strong reasons for considering that, in the organisation of the civic government, the demands of democracy, the requirements of real self-government, will naturally be fulfilled if a complete severance is made between the executive and legislative bodies. Much more important is their co-ordination so as to bring about their smooth working and efficient fulfilment of local functions. The ordinary character of civic business does not offer, generally speaking, many occasions on which rapidity of judgment and promptness of

action would be more important than the fulness of deliberation. On the other hand, the growing variety and complexity of the actual task of administration in the several departments of city life demand that the executive authority, with a full quota of the administrative staff under it, should be made a distinct entity by itself, created on grounds and inspired by motives all peculiar to its own department of work. While these considerations demand a distinction and separation between the executive and the legislative, they do not require an absolute and exclusive separation between these two sets of authorities. It is essential that they should be co-ordinated. It is imperative that the legislative element should have a place in the executive authority; and that the executive authority should be able to influence the deliberations of the legislative body. Neither the one nor the other should be suffered to oust completely its respective counterpart. But both must be made to function jointly and smoothly with mutual understanding and respective sympathy.

## II.—Some latter day Innovations in Municipal Constitutions.

American Innovations.

The evolution of the forms of local government now prevailing in the advanced countries of the world suggests, however, several reflections pertaining to the formation of Municipal constitutions, which it would be no great diversion or irrelevance to import briefly in this connection. The ebb and flow of enthusiasm for the Council form of city government has culminated in some places, from the commencement of the present century, either in complete supersession of the Municipal Council, or its relegation to a back-shelf by the institution of the Commission form of city government, or the City Manager Plan. The essence of the Commission form of government completed by Des Moines in the state of Iowa in 1907, consists in an elimination of the city council altogether, and the investment of all power both legislative and executive in an administrative Commission, usually of five persons, elected on a general ticket; while in smaller cities the strength of the Commission is often reduced to three. Lest, however, the principle of real self-government in the city be sacrificed altogether in its new evolution, the Des Moines plan of Commission government couples with the new form certain devices of Initiative of new measures directly by the city electorate; or of Referendum before final enactment of contemplated measures for the opinion and decision of the city electorate by a special memorandum; or the Recall of unacceptable or incompetent executive officers in the city government; or nominations of all persons and authorities on a known partisan basis exclusively with an eye to the merits of each particular appointment. In this form, and with these safeguards, the plan has become very considerably popular in certain states of the Union, in spite of the fact that essentially it is a negation of the basic ideals of government in its supersession of the legislative authority by an administrative body. For though the Commission combines legislative as well as executive

capacities, in its power to enact all ordinance and vote all appropriations, it is really, in intention and function, an executive rather than a legislative body. The commission controls the entire administration of the city and appoints all minor city officers, either collectively or as individual commissioners, so that the city electorate has to elect no other officer but the commissioners themselves.

The chief recommendations of this plan of city government are:—

- (1) That it secures certain advantages of concentration of authority and responsibility including harmony of action;
- (2) That it excludes from local civic government politics and encourages the election of respected and reputable commissioners, who look upon civic interests from a broad standpoint;
- (3) That it permits of the appointment to administrative offices of persons with necessary professional and technical qualifications, without the undesirable influence of lobbying; and
- (4) That it eliminates corruption and inefficiency.

On the other hand Commission government necessarily suffers from being less representative than the Council form of government; and it also involves the mistake of concentrating authority in matters where deliberation is at least as important as execution.\*

Objections to  
Commission  
Government.

There is a further objection inherent in the Commission system, which has not yet been noticed. If its aim is to concentrate authority and responsibility and if that aim arises out of a sad experience of the incompetence or untrustworthiness of a Municipal council, then the logical conclusion ought to be not a five membered commission, but a single-headed executive. Though, in theory, the commission as a whole is responsible for the administrative as well as the legislative side, people still consider in every case each commissioner as separately responsible for the effective conduct of the department under his charge; and this necessarily results in incompatibilities, which distinctly point to a single concentrated administrative authority that eventually was developed in Sumter S. C. in 1912. This new development is known as the **City Manager** system of Municipal government. Under it, the Commission is invested with all legislative powers and a general control over administrative service. But the actual administration of affairs is delegated to a single officer, called the City Manager, who is appointed by and is responsible to the Commission. The latter may, in some cases, appoint

\* "The chief danger involved in the Commission government movement is that once citizens have secured the adoption of the plan, they will rely upon the plan and not upon the citizens' interest and assistance for furthering governmental progress. The Commission movement is not a continuing effort to promote efficient government, but a single peremptory reordering of the governmental machine, with the expectation that it will work more satisfactorily in consequence. Commission government associations stop working when a commission is attained." Bruere's *New City Government*, Page 84.



all non-technical officers, like the City Judge, the City Clerk, the City Attorney, the City Doctor and the City Civil Service Commissioner; but the engineering and industrial services are usually left in the control and direction of the Manager. In other cases, the whole official service of the city is placed in the charge of the Manager. And though the City Manager has so far, in almost all cases, been appointed in conjunction with the city commission, their combination is not essential.

"The two fundamental purposes of the commission form are to centralize administration, and at the same time to concentrate legislative and administrative authority and responsibility. By the introduction of the Manager the first of these is attained and by subordinating him to the commission the second purpose is accomplished. There remains, then, no imperative reason why the legislative body should remain so small. It is not improbable that with the extension of municipal home rule and the Manager idea the council may be restored to its early position as a Municipal legislature. Should this occur, the cycle of Municipal legislative development will have become complete."\*

Municipal  
democracy  
through Repre-  
sentative Insti-  
tutions.

On the whole, then, in spite of all the vicissitudes through which the fundamental idea of local self government in the cities has passed in the course of the last hundred years, the reversion to the old idea of representative system in the Municipal government is becoming more or less general. The Municipal council by whatever name it is known, is distinctly preferable, not only because it possesses a more truly representative character; but because it permits of a fuller realization of the idea of Municipal self-government than is possible under any of the other latter day developments noticed above. The essence of Municipal government and administration consists in the responsibility of the governing authorities to the city population, and that can best be effected by the provision that the council responsible to the city population should be elected by that body. It is true that concentration of responsibility is necessary for the efficient conduct of Municipal administration. On the one hand, the task of government tends to be more and more specialized, requiring special qualifications, technical training, and experience, which the unprofessional laymen, elected ordinarily to the city council as representative of the city people, naturally cannot command. They must therefore necessarily delegate their functions in the administration of the city to persons properly qualified for each specific task, the council being content merely with reserving to itself a general control and supervision over these delegates; and, of course, with the right to lay down a general policy under which this delegated authority is to function. But making allowance for these peculiarities of the present day civic administration, which demand that the delegates be made responsible to the city council, which in its turn must hold itself accountable to the general city population; the net conclusion still seems to be

\* N. B.—Goodnow Op. Cit., Page. 198.

inevitable, that for a proper government of the modern city, which would neither sacrifice its efficiency in administration, nor exclude the legislative branch of Municipal government, the best plan would be to have a fully representative Municipal Council, acting through its carefully chosen officers, to whom is delegated the actual task of civic administration in its several departments.

### III.—Municipal Executive and Parties in Municipal Organisations:

In carrying out the idea of Municipal home-rule, in enforcing the principle of executive responsibility, the city, like the larger state, must necessarily depend upon the formation of parties, with all their paraphernalia of party organisations, party programmes, party discipline etc. While political parties are helpful in stimulating public interest and advancing general public education on the important questions of the hour, they are by no means an unmixed blessing. The evils of political parties dominating government may be obscured or counteracted in the larger plane of national government; but in the narrower sphere of Municipal administration, the evils of corruption, gerry-mandering and log-rolling would become intolerable if excessive importance is attached to political parties operating in and influencing the city politics. The Council form of city government tends to exclude these undesirable influences of municipal political partisanship. If the representation is properly designed, so that all sections of municipal opinion get duly represented in the municipal council, and the devices of cumulative voting, of transferred vote, of proportional representation, of special seats reserved for important minorities or interests, are all employed with more or less emphasis, in order to secure a fully representative character in the city council, there would be no great danger of political parties and partisan feeling attaining to undesirable proportion in civic administration. The distinction and separation of the Legislative from the Executive, which such a system naturally engenders, further tends to secure all the advantages of efficiency in administration with those of confidence in the Council, which is the patent of all executive authority in the city administration. This distinction between the Executive and the Legislative may also be brought about: either by having each of these two authorities created by distinctly independent agencies, such as the local electorate electing the Municipal Council, and a department of the Central Government appointing the Municipal Executive; or by the method of delegation to committees which nevertheless serve the same purpose as though the two authorities were originally instituted by different agencies. To understand this, let us contrast briefly the English and the European model of Municipal government. In the English system the borough council is recognized as the only organic authority in the Municipal administration. It has complete power of organising the city government, including the appointment, removal and direction of all municipal officers, and has a host of special municipal powers conferred upon it by general Acts or the great Code of Public Health Act of 1875, or the Municipal Corpora-

Legislative  
vs. Executive.

tions Act of 1882. Under these powers, the council may adopt any form of administrative organisation it pleases. It may have single-headed departments, or board-managed administration. It may provide for the merit system of appointments, or continue the patronage system as it thinks fit. In most cases the detailed work of administration is generally entrusted to the committees of the Council. There is very little chance of conflict between the Council and its committees, so that the ideal of concentration of authority, coupled with the representativeness and the responsibility of that authority, is as nearly achieved as is possible.

#### Continental Executives.

Contrasted with this form of Municipal government, there is the Continental form, the most outstanding example of which is to be found in the Municipal system of Germany. In that country, the council exists side by side with an executive authority independently appointed, and consisting either of one man or a board. The theory of the separation of powers appears to be more fully given effect to in the German than in the English system; though the Executive has the power to veto the legislation enacted by the council, on the ground either of its illegality or of its inexpediency; and though the members of the council, on the other hand, who elect the Executive, are able, under its direction, to participate in the work of administration through membership of various administrative boards at the head of the city executive departments. Of course, if the council objects to the veto of the Executive, it may appeal to a higher administrative authority in the state.

The City Executive is regarded in Germany as an agent of the state for the enforcement of the state laws; and in that capacity it necessarily acts independently of the Council. But the real influence of the Executive over the Legislative in Germany, which is considerable, is due to the professional character and wider experience of the Executive. The city council is thus rather an authority for control and supervision than for initiation of new measures of civic utility or even for the formulation of new policies.

#### Municipal Ex- ecutive India.

The Municipal Executive in India is dominated even now by excessive officialism, with its inevitable bureaucratic methods, tendencies and sympathies. Though the president of a Municipal Corporation corresponding to a Mayor or Burgomaster in England or in Germany is beginning to be more and more an elective officer of the municipality—and therefore necessarily a non-official—he has very little substantive powers in the executive administration of the city. That work is entrusted to the Municipal Commissioner, or the chief Executive Officer, or by whatever name and style that personage is designated. He has a clearly defined statutory position, which is practically independent of the corporation. He is appointed either directly by Government, or by the Municipality subject to the approval of Government, or is given a right of appeal to Government in the event of his being dissatisfied with any action of the Municipality.

## CHAPTER IV.

### SOME SPECIAL FEATURES IN MUNICIPAL CONSTITUTION.

#### I.—Double Chambers in Municipal Constitution.

In considering the special features of Municipal constitutions in this as well as some other countries, we find the existence of **bi-cameral legislature** for Municipalities rather as a curiosity than as a common feature of such constitutions. The double-chambered legislature is a needless complication, which is being rapidly discarded even in the central legislatures of the leading countries in the world or is rendered innocuous by definite legal provisions or conventions strictly delimiting the authority and the jurisdiction of the Second Chamber. In some German cities, however, double chambered legislature is not unknown. But the second chamber in their case consists of an Executive Board of professional members, often paid by the municipality, who can only be said to constitute a second chamber not because of their coequal legislative authority but for executive powers assigned to them. In American cities there are second chambers which may be more properly so called; while the aldermen in the English Borough councils also represent an element which may be described in that style. Before the Act of 1919, India had throughout a single-chambered system of legislative authority in the central governments, in the several provincial governments, and in the similar local governing bodies. The act of 1919 has introduced a Second Chamber in the Central Legislature in the shape of the Council of State. This has complicated legislative business and precluded to some extent the growth of real democracy. But this "reform" is confined only to the Central Legislature. In the Provinces as well as in the Municipalities, the single-chamber system still prevails. The objections, which apply to a double-chambered legislature in national legislation, apply even more strongly in the case of local bodies; but as such complications are unknown in India at the present time, and unlikely in the future, we need not notice them at any greater length.

#### II.—Honorary Service in Municipal Council.

The principle of gratuitous public service in English speaking countries, or those that have accepted the English ideal of political evolution, may be said to be rather the rule than the exception. Though the British Parliament has itself introduced, since 1911, the practice of paying members of Parliament, the local legislatures in boroughs and rural districts are still conducted by honorary

councillors.\* In India honorary public service is maintained universally. The allowances for travelling and residence during the sessions to members of the central and provincial legislatures, are denied in the case of Municipalities, for there is no justification for allowing such honoraria or allowances to municipal councillors and so, with the exception of honorarium to members of the Standing Committees in some cases, the practice of free public service is maintained throughout.

Advantages  
and disadvantages  
of Honorary  
Service.

Let us next consider the advantages and disadvantages of gratuitous public service. First of all, the obligation to render even the minimum of attendance in the council necessarily involves a proportionate neglect of a member's private business and occupation: and to that extent may deter otherwise well-suited individuals from competing for such honours. Unless we would have our Municipal bodies made up wholly of a leisured-class, or of individuals whose occupation permits them to find time for attendance at the meetings of the council, the obtaining of duly qualified, energetic, and enthusiastic members would be a task of some difficulty. But members of the leisured class who now take up politics as a side-show, cannot usually command the brains or intelligence or education of the working class—particularly intellectual. This in itself would be a great hardship to the proper government of the Municipality. Again the composition of the council by only those people whose businesses or professions permit them to find time for attendance at the Municipal council meetings, may involve the other danger of having the Municipal councils composed only of a few instead of all interests embraced by a city. Finally, in the case of men serving honorarily, there is always the possibility of indirect corruption in the shape of benefits from contracts or other advantages from the Municipal activities, which, even if obtained indirectly, may mean quite an effective gain; and so leave the door wide open for corruption of a most deplorable kind.†

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\* Municipal service, in the council at any rate, is regarded almost everywhere in the light of an honour which must be undertaken by every self-respecting citizen honorarily. Under the excuse, however, of allowing the actual expenses incurred by a Municipal Councillor, they allow in France, a sum, which in the case of Paris amounted to 6000 francs per annum, besides an extra allowance of 3000 francs per annum as members of the council of the department of Seine.

"A Paris Councillor" says Dr. A. Shaw in his work on Municipal Government in Continental Europe,

"is not supposed to draw a salary, but he has been accustomed to allow himself 4000 francs a year for expenses. In view of exceptional demands he increased this allowance for the Exposition Year 1889, to 6000 francs, and he has since neglected to reduce it." (p. 21-2.)

The extra allowance for the membership of the Department of Seine is mentioned by Dr. Munro—*The Government of European Cities*-p. 14.—as being unauthorized by law; but the superior authority not having contested the case, they are tacitly presumed to approve of it. On the other hand, the theory of Municipal law in France refuses any salary even to the Mayor and Adjoints.

† In Germany, they carry the doctrine of gratuitous service to the extreme of attaching a penalty on any one, who being duly elected, refuses to serve as a Municipal Councillor, cp. Dr. Shaw *Op. Cit.* p. 311. The same authority observes, speaking of the Poor Relief in Germany:

Paid service, on the other hand, in the case of Municipal councillors, at least, may bring corruption of its own kind, in the shape of a very intense development of party machinery and partisan feeling, with the necessary concomitance of such developments in the forms that are manifest in some of the American cities and even in Paris.\* While it may be difficult to find men of the required calibre and qualifications to work gratuitously for the city, remuneration for service will not necessarily guarantee men of the highest calibre in the supreme council of the city. Every paid post will give rise to intense and often undesirable canvassing, as is already becoming evident in the case of subordinate offices under the Municipality which have considerable emoluments attached to them. Unpaid service certainly imposes a tax upon a citizen's patriotism, or civic enthusiasm, but this strain may well be preferred to the disadvantages that may quite likely crop up if paid service were made the rule. Besides, the maximum demand hitherto made upon the time and energy of the individual citizens making up the Council, is not such as to render it utterly impossible for such individuals to do their other work. At most it might mean two or three afternoons a week, a couple of hours at the fag end of the day in each case.† Even so, it will, of course, be true that only members of independent professions, or heads of business houses, or retired public servants and persons of independent means could seek election to such posts, if unpaid service were universally enforced. And this may not guarantee good or properly qualified members to the Municipal Council.‡

Balancing between the relative advantages and disadvantages of honorary and paid service for the Municipal Council, we are inclined to think that if payment for such services is not excessive, perhaps it may succeed better in securing just the right kind of municipal councillor than a gratuitous demand for time and energy in public service would be able to secure.

We may also note in this connection the place of compulsion in securing really qualified members for Municipal bodies. As a rule, compulsion does not procure willingness in an equal degree. Where civic enthusiasm is great, there would be no need to adopt the principle of compulsion: though strangely,

Compulsory  
Service.

*Continued from previous page*

"To be designated a member of one of these local committees for the relief of the poor is regarded as a mark of respect and is esteemed a substantial honour. It shows that a man has good standing with his neighbours. No one would dream of refusing to serve on such a committee. Moreover, the acceptance of the trust is obligatory, refusal carrying with it the penalty of increased taxes, and, under certain circumstances a suspension of civil and political privileges. Op. Cit. p. 366.

\* In New York members of the municipal council receive \$ 2000 per annum, and the President gets \$ 5000. In Cincinnati, each councillor receives \$ 10 dollars for each session he is present at; New Orleans allows \$ 20 for each regular monthly meeting.

† In those countries like France, for example, where municipal councillors do not meet frequently, but have long sittings whenever they meet, this remark would of course not apply.

‡ The Administration Reports of the several municipalities do not give any details as to the professions or occupations, or other sources of livelihood of the councillors, and therefore it is difficult to give a concrete idea as to the class of people usually constituting the councils.

Germany, which is the land *par excellence* of great civic enthusiasm, is also the land where they have in some form adopted the principle of compulsion to secure the right type of men for Municipal service. Ordinarily, compulsion is employed not directly but rather indirectly by disqualification being created against those, who, being required to take up some Municipal office and duly qualified have refused to do so. Such a disqualification may be justified on the ground of an affront to the city. On the whole, however, for the proper constitution of Municipal councils, we must rather look to the principle of voluntary service than to any element of compulsion.

Meetings of  
the council.

We may also notice, in this connection, the relative advantages of transacting business in the Municipal Council by regular meetings at stated intervals weekly or bi-weekly as the case may be, or by continuous sessions of fairly long duration at intervals in the course of the year. The latter method is most preeminently followed in France. There the council meets four times in the year,—in May, August, November and February. Ordinarily the session is not to last for more than a fortnight, but in the case of the session called to discuss the Municipal Budget, the session may extend to not more than six weeks. There are, besides, special sessions called by the Prefect or the Mayor; and their duration will be determined by the nature of the business to be transacted. In other European countries, however, the council meets far more frequently, and is thus able to cope with its work far more effectively than in France. Says Dr. Munro:—

“In Germany, England and the United States, the city council meets at frequent intervals,—weekly, fortnightly or monthly,—and only for a single afternoon or evening at a time, a practice which has its advantage in permitting urgent matters to be brought promptly before the council and thus obviating the necessity of deputing its regular functions to any standing committee or subordinate body. In France, the council meets much less frequently; hence, when it does convene, it finds so many matters waiting for consideration that in the larger cities it usually has to prolong its sessions over several days. The result of this system of holding council meetings is that business, unless it be urgent, must often wait the next quarterly *sederunt*, a delay which is sometimes a great inconvenience. Moreover the practice has undoubtedly brought about the transfer to the mayor and adjoints of many routine functions which, if the council were in the habit of meeting frequently, would probably be dealt with by that body or by one of its committees.”

Short and frequent vs. long and continuous sessions.

All this experience tends to show that regular sessions will mean a much more expeditious dispatch of municipal business and a more continued attention to municipal work, though of course it will also mean a greater drain upon the time of the councillors. On the other hand, continued sessions, but at long intervals, may mean a neglect of municipal business through sheer overcrowding of items to be dealt with, though it might be more convenient to the members and be a less severe tax upon their time.

### III.—Civic Enthusiasm and Civic Ambitions.

As already remarked, the growth of civic enthusiasm proportionate to the possibilities of civic ambition has yet to be achieved in this country. The claim of the city upon the affections of its inhabitants, and therefore upon their interest and energy in the discharge of civic duties, is still very slender, owing to the very restricted scope of the functions ordinarily discharged in India by a Municipality. As we shall see in the study which follows of the Municipal functions in India, there is room, even within the existing provisions, for an expansion of the civic functions and alteration of civic ideals which should call for the utmost enthusiasm of the civic population. And where these functions are incapable of expansion within the existing provisions of the laws governing the Municipalities, it is nowadays not absolutely impossible to hope that specific legislative enactments may be passed to broaden the basis of Municipal functions and activities, with a view the more directly to interest the civic population. But this depends upon the realization of the possibilities of Municipal work and its utility in the ordinary amenities, of daily life; and this realization is yet non-existent, relatively speaking, amongst the leaders of the people. The larger sphere, the more impressive stage, of the national or provincial government has hitherto so successfully imposed upon the imagination of the spokesmen of modern India, that these vital problems of daily life have not yet come within the purview of their political consciousness. And if the foremost leaders of the people continue to be unconscious of the importance of civic functions and civic activities, it is not at all surprising that the rank and file of the people at large should be ignorant and apathetic; and therefore the range of Municipal activities and the sphere of civic enthusiasm should seem to be extremely restricted in India.

It is not merely the ignorance, indifference, or apathy of the people that must be held responsible for the relatively restricted scope of civic ambitions in this country. There is a tendency in the central and provincial government to keep away from the city authorities and their jurisdiction those departments or branches of civic work which may call forth their most pertinent interest. The Bombay Municipal Corporation, for example, is claimed to be, and not unjustly, the most advanced democratic body in India; and yet when the Government of Bombay felt the necessity for the extension of the city, it entrusted the task of that development to a specially instituted Government Development Directorate, presided over by a high Executive Officer, not responsible to the ordinary machinery of the Local Government itself, on its popular side at least; and unconnected absolutely with the Municipal organization. The activities of the Development Directorate of the Bombay Government are essentially those, which, *prima facie*, ought to have come within the scope of the Municipal Corporation. The exclusion from this work of the Municipality implies a distrust of that body, and a usurpation

Want of civic  
enthusiasm.

Jealousy of  
National or  
Provincial Go-  
vernment.



of their authority, which cannot but tend to demoralize it and render it apathetic. Similarly, too, we might instance the case of the Port Trusts in the principal ports of India, which are also the leading Municipalities viz. Bombay, Calcutta, Madras and Karachi. These ports on their harbour-side are placed within the jurisdiction of special authorities, called the Port Trusts, and removed as such—from the jurisdiction either of the Local Municipality or even of the Local Government. The existence of two co-ordinate bodies mutually independent, and exclusive, and dealing with more or less the same local area, is bound to affect the *morale* of either. And when, as in the case of these Port Trusts, one of these bodies affected is a predominantly official body, and the other a popular one, the want of harmony becomes complete and absolute. The inevitable result of such development would be the constricting and restricting of the growth of civic enthusiasm that would necessarily impede the progress of the Municipalities, and so hinder the growth of real self-government.

# CHAPTER V.

## CONSTITUTION.

### A. MEMBERSHIP.

#### I.—General considerations determining the strength of the municipal council.

A survey of the constitution and composition of the municipal councils in the principal countries of the world discloses no definite and intelligible principle at work in determining the strength of the municipal council. The total membership varies from 9 in Boston to 400 in Buda-Pesth the capital city of Hungary

Name of Town .	Population.*	No. of mem- bers in the municipal council.	Payment to the chief Mu- nicipal execu- tive officer.
<i>Germany.</i>			
Berlin .. .. .	2,071,200	144	£ 2,000
Munich .. .. .	596,500	60	„ 1,000*
Leipzig .. .. .	589,900	72	„ 1,250
Cologne .. .. .	516,500	45	„ 1,500
Breslau .. .. .	512,100	102	„ 1,500
Frankfort-on-Main .. .. .	414,600	71	„ 1,800
Dusseldorf .. .. .	358,700	58	„ 1,660
Nuremburg .. .. .	333,100	60	„ 1,360
Hanover .. .. .	302,400	36	„ 1,200
Essen .. .. .	294,700	62	„ 1,350
<i>Great Britain.</i>			
	N.B. Census of 1921.		Mayor
Birmingham .. .. .	919,438	120	£ 2,000
Bolton .. .. .	178,683	96	„ 500
Bradford .. .. .	291,100	84	
Glasgow .. .. .	1,034,174	113	
Manchester .. .. .	730,307	140	„ 2,000
Leeds .. .. .	466,700	68	„ 2,000
Sheffield .. .. .	519,239	64	„ 1,000
Bristol .. .. .	381,700	92	„ 1,000 Gns
Liverpool .. .. .	803,118	148	„ 2,000
London .. .. .		124	„ 10,000
<i>America</i>			
New York .. .. .	5,620,048	79	\$ 15,000
Chicago .. .. .	2,701,705	70	„ 7000
Baltimore .. .. .	733,826	32	„ 5,000
<i>India</i>			
	Census 1921		
Calcutta .. .. .	1,327,547	90	Rs. 1,500
Bombay .. .. .	1,175,914	106	„ 3,000
Madras .. .. .	526,911	50	„ 2,500
Rangoon .. .. .	341,962	34	„ 3,565
Lahore .. .. .	281,731	32	
Ahmedabad .. .. .	274,007	60	„ 1,200
Lucknow .. .. .	240,566	35	„
Bangalore .. .. .			
Karachi .. .. .	201,691	54	
Poona .. .. .	214,796	39	

\* These figures for the German Towns are from Dawson's Municipal Life and Government in Germany, with the exception of the salary of the Mayor in Munich which is from Howe's European cities at work.

These are from Donald's Municipal Year Book.

An analysis of the constitution of the municipal councils in this country also discloses the same want of a definite, intelligible, principle in determining the strength of each council. To an uncritical or indiscriminating mind, this position would be explained only by the dead hand of historical tradition; or the *ad hoc* methods of solving each specific problem, so dear to the heart of the overwrought bureaucrat, who, professing to be an expert in every department, is unwilling to confess his ignorance in any single branch of administrative requirements; and therefore confounds what *is* with what *should be*.

## II.—Principal Bases for Determining the Strength of the Council.

Bases for  
membership.

We can however conceive of three possible bases for determining the strength and distributing the membership of a council. They are:—

- (1) The population within the city;
- (2) The functions a Municipality undertakes to discharge, and
- (3) The organisation for the transaction of the Municipal business.

But these bases however, hardly help to solve the problem, "what should be the precise strength of a Municipal council," for that depends on various other factors too numerous to be described here. But given the strength, the question that next confronts us is: how best to secure effective representation of the civic population in the city's parliament, and how best to reconcile the mutually conflicting claims of classes and interests. The plain unvarnished basis of membership according to population can hardly suffice for the purpose.

In France.

In France, they have attempted to solve the problem of Municipal Council membership by laying down general principles in a comprehensive code of legislation for the constitution, functions and powers of the Municipalities, or communes as they are called in that country.

"The size of the French municipal council depends roughly upon the population of the municipality, and ranges from ten to thirty-six members. Communes with populations below 500 have ten councillors; in the larger municipalities, the number increases according to a graduated scale, until in cities of 60,000 or over the council has thirty-six members. All cities above this figure in population have uniformly thirty-six councillors, with the single exception of Lyons, which has fifty-four. Save Paris and Lyons, therefore, all the larger cities of France have councils of uniform size,—a size, it may be noted, which is somewhat smaller than that of the municipal council in Germany, England, or the United States."\*

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\* Members of the council are elected for a four-year term, and there is no provision for a partial renewal. The election usually takes place by *scrutin de liste*, or on a general ticket for the whole municipality; but in a city of more than 10,000 population a division into electoral districts or wards may be made. Since, however, each ward must elect no less than four councillors, there may not be more than nine wards or electoral districts even in the largest cities.

Paris has had an exceptional treatment ever since 1848, and has a municipal council consisting of 80 members for a city of 3 million souls.

The division of a city into wards or municipal districts, the assignment to each district of a single member or a group of members; the provision of special representation by the agencies of appointment by an outside authority or **Co-option** by the council itself; the institution of cumulative vote or the transferred vote or proportional representation, each with a view to secure as effective a representation as possible of all minorities and majorities of voters:—these are all intended and even developed with a view to make the professed basis of population correspond in fact to the actual representation. In cities, where, as in some places in America, huge blocks of civic population are excluded from the actual exercise of the right to vote *e.g.* the negro element in the Southern States,—the basis of population can be said to be effective in name only. Again, the existence of special interests, which would not ordinarily be represented in the city council by the population basis on territorial distribution, would also render ineffective in practice the basis of population; and demand modifications which will only add to the complications of the practice.

### III.—The Population Basis in Practice.

Let us briefly note, in passing, the nature and effects of some of the expedients enumerated above.

1. The simplest method of securing complete representation equally of all sections of the population in a city is to divide the city into municipal districts.\*

\* Ward distribution in Calcutta, Bombay, Madras.

### B.—Special Constituencies.

**Bengal Chamber of Commerce**

**Non-territorial. Six**

Calcutta Trade Association.

Non-territorial. Fou

Calcutta Port Commissioners.

**Non-Territorial. Two.**

The number of voters in all the Mahomedan Constituencies was 9499 and in the Non-Mahomedan Constituencies it was 61023 in 1923.

Division of the Madras Cbty.	Madras. No. of Voters.	Popula- tion.	Bombay. Wards of the city of Bcmbay.	Popula- tion Total.	No. of represen- tatives	People represen- ted per number.	Number Voting at last election.	Total No. of Voters in each Ward.
			<i>Bombay City</i>	1,175,914				
1	970	20,891	A Ward	74,440	12	6,203	4,512	8,204
2	731	16,899						
3	730	23,777						
4	698	16,640						
5	523	7,288						
6	1,129	14,351						
Fort		1,280						
7	1,088	13,055	B Ward	129,575	16	8,098	no contest	11,942
8	539	5,117						
9	730	15,820						
10	1,178	19,628						
11	666	7,460						
12	915	17,575						

These districts may either be made into Single Member constituencies, of which Madras is the best example among the Presidency Towns, with its thirty divisions, each returning a single member to the city council; or they may be made into electoral units for returning a number of members from each such unit as in Bombay or Calcutta. Thus Calcutta is divided into 32 wards, of which 11 return one member each, 14 two each, 5 three each, and 2 four each according to the population of the districts concerned. Wards No. 9, 10, 19, 20, 21, 24, 25, 28, 29 and 32 have each a seat reserved for the Mahomedan community, whereas wards No. 8 and 26 have each two seats reserved for the same community out of a total of four. Ward No. 19 is a purely Mahomedan seat. Thus Calcutta is unique in its provision for special seats for its Mahomedan population. Out of 62 councillors elected 14 or 23% are thus Mahomedans. The number of voters in the Mahomedan constituencies aggregates 9,499, or 18% as compared with 61,023 of the non-Mahomedan constituencies. Rangoon is similarly divided into 5 wards or rather constituencies. It is interesting to note that of the total numbers of registered voters in that city, only 14% belong to the Burmese and the allied communities, the rest being Europeans, Mahomedans or Hindus.

European  
Practice.

The Council may be renewed partially every year by the device of proportionate retirement each year of a given percentage of the councillors, as in Madras, which is unique in this regard, or there may be a wholesale general election every 3 or 5 years as the case may be. In European countries, notably in France, Italy, England and Germany, the municipal districts usually return a group of members each to the municipal council; whereas in America they favour the single member constituency plan. The actual formation of these municipal electoral districts

<i>(Continued from previous page.)</i>									
13	786	17,272	C Ward	1,98,384	16	12,399	4,469	18,544	
14	421	2,664							
15	1,092	17,544							
16	1,011	29,459							
17	820	24,021							
18	1,244	20,299							
19	879	19,627							
21	633	18,540							
22	777	21,222	D Ward	1,76,029	10	17,603	6,827	17,252	
23	1,120	23,790							
24	867	24,195							
25	538	13,277							
26	666	16,506							
27	551	15,254							
28	345	18,631							
29	666	21,315	E Ward	2,76,149	10	27,695	3,685	9,718	
30	836	17,858							
			F Ward	1,45,285	6	24,212	2,488	16,133	
			G Ward	119,790	6	27,986	2,707	6,278	
Harbour Islands.				213					
Railway Platforms				5,060					
Floating Population.				26,155					
Unknown				6,704					

may be left to the municipal authority itself, with or without the concurrence of the central authority; or be determined for that end by some general laws passed by an outside authority. As an agency in securing proper representation, the **single member constituency** plan seems to be unexceptionable. It helps to secure the due representation of minorities which may be ignored under the group system. This latter device may also ignore the differences in localities within the city, which, in the great industrial cities of to-day, are extremely important; since they denote differences in wealth, differences in taste, differences in demands for civic amenities, and even civic ideals.\* It may be, that even under the single membership district system, a single party may be able to secure all the seats—as happened in New York in the elections in 1892, when the entire city council was elected by 160,000 votes, whereas a minority vote of nearly 100,000 got no representation at all. But as a general rule, and without the most intense party organisation and propaganda, the single district plan does secure proper representation of minorities. In India, as shown above, some of the most important municipalities follow the principle of election of a given number of members by municipal wards each returning several members.

Where the single membership district system fails in securing proper representation to minorities, other devices have to be adopted. The most important of these are: limited voting, cumulative voting and proportional representation. Under the first, a voter is not permitted to vote for all places which have to be filled in at the election: but is required to vote only in a certain proportion,—for example four-fifths in Italy. Boston and New York have given it a trial. But in general the plan has been abandoned as being unsuitable to secure the end in view. The second method of Cumulative Voting is far more popular. It consists in giving the voter as many votes as there are seats to be filled, and allowing him to lay out his votes between the several candidates as he thinks proper. Party organisation and discipline must be fairly strong if a proper distribution of

Other Devices  
for Representa-  
tiveness.

\* The following figures relating to the polling at the last general election in Rangoon may be of interest:—

Community & Ward.	Regis- tered. Voters.	Votes recorded.	Highest number gained by any can- didate.	Lowest number recorded for any candidate.
European and allied community ..	2,889	1,729	1,112	226
<b>BURMESE AND ALLIED COMMUNITY.—</b>				
Botataung Ward .. ..	620	318	258	101
Theinbyu Ward .. ..	732	237	189	46
<b>HINDU AND ALLIED COMMUNITY.—</b>				
East Rangoon Ward .. ..	3,282	1,956	1,232	48
<b>MUSLIM COMMUNITY.—</b>				
East Rangoon Ward .. ..	2,539	877	679	195

votes is to be secured in this method ; but, if the safeguard is adopted of prohibiting the elector from accumulating his votes on any candidate beyond a certain number, and within municipal electoral units returning no more than 3 or 5 members, the danger of a minority of votes electing a majority of candidates may be avoided.

#### IV.—Proportional Representation.

**Hare System.** Perhaps the best method of securing proper representation of minorities is to be found in the so called system of Proportional Representation. The governing idea of this system is : so to constitute legislative bodies and lay out their seats as to secure representation of all the several different groups or interests in the community. The purpose of proportional representation is to enable each considerable group of voters in the community, if they so desire, to secure representation in the body to be elected. The two well-known plans by which this system is given effect to are known as the "Hare" system and the "List" system. And of these, again, the former is regarded to be mathematically the more exact one, but its unavoidable complexity has prevented its extensive adoption. Under the "Hare" system, then, municipal councils are elected *en bloc* by a general ticket. The names of the candidates, however nominated, are arranged in a single column with or without their representative party label. Besides each name is a square for the voter to put his mark in ; and by putting down the figure 1, 2, 3, etc. in this square the voter indicates in the case of each candidate whether that candidate would be his first choice, second choice, or third expressing as many as he likes. Before counting the votes, the electoral quota or the smallest number of votes that will suffice to elect a candidate—is determined. Every candidate who secures his first choice votes equal in number to this quota is then declared elected ; and candidates who stand the last in regard to first votes are dropped from the count as hopeless. Then the first choice surplus votes for the several candidates just declared elected and the votes showing first choice for the candidates just dropped, are transferred to other candidates in accordance with the second choice expressed thereon. These transferred votes are added to the first choice votes of the candidates to whom they were transferred. The same process then is applied to the candidates of the second choice, and every one securing in the second choice the electoral quota is declared elected, while those standing last in the second choice are dropped. This process is carried on until a sufficient number of persons have secured votes equal to the quota to fill the whole number of places on the municipal council.

**List System.** Under the "List" system the voter is confined to the candidates nominated, and is required generally to vote *en bloc* for a party. The total number of votes cast is divided by the total number of persons to be elected and the result is called the electoral quotient. The votes for each party are divided by the electoral

quotient, and the result will be the number of candidates declared to be elected by each party. The final choice in the list of each party is made according to the order in the party list.”\*

These several expedients, however, are adopted chiefly to secure adequate representation of civic minorities. As we have already stated before, they do not help,—and are not intended to solve the puzzle: What should be the precise strength of a Municipal Council. Given that strength, it is right and proper that such devices be resorted to to make representation real for all interests. But how to determine the first question remains still a difficulty. As a working basis for distributing membership, the population figure may be accepted. But where the voting strength depends upon requirements of property, status, or tax-payments, the anomaly of the voting power not corresponding at all to the population basis will be difficult to avoid.

In the German Empire before the War, the three class system of voting applied even to the Municipal elections, and gave a wholly disproportionate representation to the propertied classes. The Three-class System in Germany.

“Under this arrangement, an insignificant number of persons elect one-third of the city council, while a small minority elects two-thirds of it. The first class rarely consists of more than 3 per cent. of the total number of voters, while the first and second classes combined range from 10 to 20 per cent of the total. In Essen, where the Frederick Krupp Steel Works are located, there were in 1900 only 3 electors in the first class, with 401 in the second. There 3 men elected one-third of the council, while 404 out of the nearly 20,000 electors chose two-thirds of the members.

It is clear, then, that by itself, population as a basis for determining and distributing the strength of a Municipal Council is neither sufficient nor satisfactory. We must think of other means to solve the problem.

### B. V.—Functions as a Basis.

A second basis for the determining and distributing of council membership of the municipalities may be found, as already stated above, in the functions a municipality undertakes to discharge. The conception of the proper scope of the Functions as determinant of total strength.

\*The anomaly of the Single District system has been very well brought out at the General Election of 1924 for the British Parliament. With an actual majority of votes in the electorate, the two progressive parties of Labour and Liberalism, are actually in a minority in the Parliament. Labour gained a million votes, and still lost 50 seats. According to the votes the Labour party ought to have about 195 seats as against their actual strength of less than 150; and the Liberals 110 instead of 50 they now hold. Proportional Representation is accordingly strongly advocated to correct these anomalies. Were it not for a mistaken and misguided emphasis on communal sentiment in India, we would as strongly press for a system of Proportional Representation in our national, Provincial and Local Assemblies, as likely the most suitably to secure representation of minorities.



municipal government and its functions is by no means identical in every community. But in countries where the ideas about the proper functions of municipalities are more or less the same, it may reasonably be asserted that the number and variety of these functions may have some bearing upon the actual size of the municipal council. It is true indeed that in the specialized departments of municipal administration, the unprofessional service of the average municipal councillor will be of very little help in any but a supervising or controlling capacity. In the actual task of technical administration in these specialized departments, the council and the corporation necessarily will have to employ technical experts to work under the general supervision and control of the council, its president or its committees as the case may be. And, to the extent that the actual discharge of specific functions is delegated to specially appointed officers, the number and variety of functions ordinarily discharged by the municipality will have no bearing upon the strength of the council. But even assuming that the council makes the necessary delegation to technical experts in charge of the specialized departments of municipal service, the control and supervision of the municipal council will vary in efficiency according as the strength of the council is equal to coping with the complex and varied task. Whether they adopt the system of each single member being placed in the responsible charge of each department in the municipal administration, as they do under the Commission form of government in American cities, or whether they follow the plan of supervising the task of actual administration, the strength of the council will have to bear some definite proportions, some conclusive relation to the number and nature of the functions discharged by the council. In fact the shortcomings of election under the undiluted basis of population could to a large extent be corrected satisfactorily by the simultaneous adoption of the functional basis as a guide or standard for correction.

Their indefinite character.

On the other hand, functions are necessarily indefinite and often changing. Civic needs are by no means fixed; and the functions of the municipality expand or alter according to the expansion and alteration in the civic needs. Moreover, as between these the several needs may have at different times varying importance in the life of a municipality, in the life of the city's population. Thus, for example, the department of public health, which, in ordinary times, may not attract any very great interest,—may suddenly assume overwhelming dimensions when a great epidemic breaks out as in the Influenza Epidemic in 1918-1919. Of course, we cannot expect to reconstitute all at once the municipal council to meet such specific emergencies of a temporary character. The illustration will however suffice to show how indefinite and unreliable is the basis of functions as a guide and standard for the determination of the total strength of a municipal council; and we must certainly pronounce in favour of population as being at once the simpler and more effective basis. Such crudities and angularities as there may be in this

basis of population are capable of correction and remedy as we have already shown. The basis of functions, however, if adopted exclusively, will admit of no such satisfactory correction, and will quite likely expose the Municipal Council to becoming merely a tool in the hands of an oligarchy. The safest method, therefore, might be the simultaneous adoption of the two bases, each as a corrective of the other, and each with modifications suggested by experience.

### C. VI.—Organisation for Work and the Size of the Council.

A third basis for determining the total strength of a municipal council may be found in the organisation and procedure of the corporation. If the Council is organised or composed so as to work through Committees, its strength will necessarily be different, from what it would be if the council were organised so that each member might want or be allowed to take a direct personal share in the task of administration and be prepared to assume the necessary responsibility in consequence. In another connection we have already contrasted the council with the commission form of government, and showed how the total strength of the municipal governing authority could be reduced to 5, 3, or even a single solitary city autocrat, if the ideal of civic life thinks more of concentration of authority and responsibility for the development of efficiency in the city administration, than of representativeness in the city council. Here we need only point out that the civic organisation is itself conditioned by the ideals of civic life; and so its influence in determining the total strength of the municipal Council can be indirect only. It will be a good help for the modification of defects creeping up in the two previously noted bases; but would be utterly useless by itself.

### VII.—Some correctives of the Elective Principle.

We have dwelt at length upon the bases that should determine the strength of a Municipal Council as well as distribute its members in order to have as clear an insight into the functioning of real Self-Government as possible. Each of these would, by itself, hardly suffice to solve the complex problem of municipal membership, and we are driven to adopt various devices to achieve our aim more fully. The most important of these devices is that of **Co-option**. But co-option in Municipal Councils must not be such as to outbalance the elected element in the Council proper; for that would really defeat the main purpose of civic democracy, assuming, of course, that democracy is the proper form of civic government. Co-option is therefore, not to be regarded as a corrective of election in the sense of providing a greater degree of representativeness than Election does. Considered as such, it would involve or imply a distrust of the people, the local Sovereign,—which would be as unjustified as it is unnecessary. The only excuse of co-option is its help in securing representation of elements which would otherwise be liable to be ignored,—and which would still be important and necessary to be represented on the civic council. Co-option, it must never be forgotten, is a form of double election. Its utility will be doubled only, if the

representatives of the people are elected on the widest possible democratic basis, and are required to co-opt on definite principles, previously laid down, to guide them in such co-option. In India, the only Municipality which has begun giving considerable effect to the principle of co-option is the Municipal Corporation of Bombay. Ten out of a total strength of 106 is neither a negligible nor an out-balancing element.\* Such an expedient is interesting rather as a guide to future reforms than as a complete corrective in itself.

**Government  
Nomination.**

Another corrective of the vagaries of election, if employed rightly, may be found in the principle of Nomination by the Government to Municipal bodies. Government may justly be considered to be the guardian of the entire community,† rural as well as urban and it is expected that it will make use of the right of nomination to appoint to council representatives of those communities which have not found a seat in the city's Parliament. Besides, Government is able to take a far more comprehensive view of any particular policy or project, to be forwarded by a civic corporation, than that corporation itself is able to do. On this basis, the persons nominated by Government as members may be regarded in the light of so many experts, to bring before the Municipality a point of view which ordinarily would not occur to that body; and as such, the presence of the government nominees may be justified, as a necessary and even beneficial expedient for the more effective and efficient regulation of civic government. It is a deplorable fact, however, that the principle of nomination, as at present employed, fails to satisfy this ideal. At the present day the only excuse for the retention of this element is its ability to provide for a safeguard of the interests of government vis-a-vis the Municipality. With the extension of the principle of co-option, as noticed above, the justification of nomination as a safeguard for the representation of the specified minorities will weaken if not disappear altogether eventually. To-day and in the future, therefore, the only plea at all tenable for the continued presence of Government nominees on the Municipal councils is and will be the necessity to provide for some sort of link between the Government and a Municipality.

**Disadvantages  
of Nomination.**

Again, we notice in Government nominees an unavoidable tendency to be utilized as a sort of an indirect control of the Municipal organisation by the provincial government. We shall examine more fully in a later chapter the justice and necessity of providing some form of control over the municipalities in the shape of the influence of the Local or Central Governments. But here we must observe, that in any event such a use of Government nominees would constitute a breach or an invasion of the principle of civic democracy, which must

\* Rangoon has an element of co-option, as also several municipalities in Bengal.

† At the time of the passage through the Bombay Legislative Council of the present Act relating to the Municipality of Bombay, the Minister in charge of the Bill said: "If any of the communities are not returned by election. Government have retained a certain number of seats for nomination, and I am sure the claims of those communities which are not returned by election will be considered." cp. Bombay Legislative Council Debates Vol. 6. 1922, p. 87.

be considered to be the basis and foundation of local self-government. This will be an unqualified evil; and could be mitigated only if government nominees are permitted, encouraged or instructed always to vote according to their conscience and judgment on each question coming before the Municipality, and not according to orders or instructions received from Government. The latter practice must be specifically discouraged if conflict of interests between the Government and the local bodies is not to develop into a most sinister sentiment injurious alike to the Government as well as the local bodies.

In passing, we may point out that the existence of any element of government nomination in the general body of a Municipal council is peculiar to India only amongst the civilized countries of the world. An official element may no doubt be found in the Executives of the Municipal bodies, as in several continental countries; an official control in a variety of forms may also be justly provided for the more effective and efficient working of Municipal organisations. But in the Municipal council proper, in the law-making authority of the Municipality, there is not ordinarily any need of an official element, which is accordingly dispensed with in those other countries, and the retention of which in India suggests an explanation not quite in conformity with the real development of Municipal Democracy.

An Indian Peculiarity.

#### VIII.—Position in India.

The strength and composition of the Municipalities in India is represented in a condensed form in the subjoined tables:—

Provision.	No. of Municipalities.	Population within municipal limits.	No. of members of committee.	Classification of members.	
				Official.	non-official
Madras (excluding Madras City) .. ..	80	2,501,948	1,676	11	1,665
Madras City.. ..	1	526,911	50		
Bombay (Excluding Bombay City) .. ..	157	2,682,030	2,476	335	2,141
Bombay City. .. ..	1	1,175,914	106		
Bengal (Excluding Calcutta) .. ..	116	2,164,170	1,606	144	1,462
Calcutta .. ..	1	907,851	90		
United Provinces .. ..	85	2,920,145	1,073	75	998
Punjab .. ..	102	1,784,098	1,205	199	1,006
Burma (Excluding Rangoon) .. ..	47	738,738	639	69	570
Rangoon .. ..	1	338,065	34		
Bihar & Orissa .. ..	58	1,190,854	820	124	696
Central Provinces & Berar .. ..	60	989,487	847	132	715
Assam .. ..	25	167,377	252	48	204
N. W. Frontier Province .. ..	6	159,469	119	34	85
British Baluchistan.. ..	1	27,220	25	6	19
Ajmere Merwara .. ..	3	141,572	54	8	46
Coorg .. ..	5	12,076	59	21	38
Delhi .. ..	1	246,987	22	3	19
Bangalore .. ..	1*	118,684	26	8	18

Summary of  
constitution of  
the Presidency  
Municipalities.

The figures relative to the numbers in this table do not take account of the latest changes of the constitution of the principal municipalities. The following summary from the "Law of Municipal Corporations in British India" by Mr. P. D. Ayangar, Page 22, gives the most recent position.

"In the three principal cities of Bombay, Madras and Rangoon, the Municipal Corporation consists of a prescribed number of elected and nominated councillors. In Bombay, it consists of 106 Councillors, 76 elected at ward elections, 1 appointed by the Bombay Chamber of Commerce, 1 appointed by the Indian Merchants' Chamber and Bureau, 1 appointed by the Bombay Mill Owners' Association, 1 appointed by the University Fellows, 16 appointed by Government and 10 co-opted-councillors elected and appointed. In Madras it consists of 50 councillors, 30 elected at divisional elections, 3 elected by the Madras Trades' Association, 2 elected by the South Indian Chamber of Commerce, 3 elected or appointed by such other associations or corporate bodies as the Governor-in-Council may by notification direct and nine appointed by the Local Government. In Rangoon, there is a similar provision. In the said three cities, the Councillors elect their President and the Commissioner who is the Chief Executive Officer is appointed by Government.

In Calcutta, the Corporation consists of 85 Councillors, 63 elected at ward elections, 6 elected by the Bengal Chamber of Commerce, 4 by Calcutta Trades' Association, 2 by the Commissioners for the Port of Calcutta and 10 appointed by Government. In addition, 5 aldermen are also elected by the Councillors in the manner provided in Sec. 9 of the Act. Provision is also made for the election at the first ? of each year of two of their number to be Mayor and Deputy Mayor for the City. It also appoints the Chief Executive Officer etc. as already stated, so that the whole Municipal administration is completely under the control of the corporation.

In the mofussil, the Municipalities consist of elected and nominated councillors, the total number of councillors, the proportion of the elected and the nominated councillors and such other details being left to be regulated by statute and by rules made by the several Local Governments, the principle of election being recognized to the widest possible extent."

The constitution of Rangoon.

In Rangoon, the former Municipal Committee of 25 members has been replaced by a body called "The Municipal Corporation of the City of Rangoon" or shortly "The Corporation" consisting of 34 members, of whom ten are elected by the Burmese community including the other indigenous races, the Karrens, the Arakanese, the Shans; five are elected by the European and Anglo-Indian communities, with whom are included British colonials, Armenians, Jews and Parsis; four are elected by the Mussalman or Mahomedan community; four by the Hindu community, with whom are included other non-Indian races except the Mahomedans; two are elected by the Chinese community; one each for the Commissioner for the Port of Rangoon, the Burma Chamber of Commerce, the Rangoon Trades Association, and the Trustees of the Rangoon Development Trust. The remaining

five members are appointed by the Local Government. The city is divided into 5 wards. By the Act the Corporation is set up as the principal municipal authority with subordinate authorities in the Education Board and Standing Committees appointed by the Corporation. The Executive, with the Municipal Commissioner at its head, is completely subordinate to the Corporation. The one authority above the Corporation is the Local or Provincial Government, to whom is reserved the general power of control over the acts and administration of the Corporation.

A critical examination of these statistics shows the organisation of Municipal Government to be founded principally on the basis of population for the distribution of membership and for the determination of the total strength of the council. But, at the same time, it is sought to provide for the representation of special interests and classes, institutions and professions, which in the elective element returned by the several wards of a city may not be provided for. In every case, the local government of each province constituting the municipal bodies retains the right of nomination on the Municipal council. The strength of the official element is certainly diminishing, as shown by the table above; but the fact that officials are usually much more enlightened than the average run of municipal councillors, and have a greater facility, in making their views prevail, especially in the backward mofussil municipalities, invests the official element with an importance far greater than their numbers would warrant.

General conclusions.

Besides the official, nominated element, rapidly dwindling in numbers and importance, there is the element of special interests and classes which mars the uniformity and simplicity of the Indian municipal constitutions; but at the same time guarantees a hearing to interests and classes, which are presumed to constitute considerable sections of the Municipal government, and as such are considered entitled to special representation. The Trades' Councils, the Chambers of Commerce, the Universities, the Port Trusts and similar other associations or organisations of civic importance being given a special representation on the Municipal Council may be justified only in proportion as the representatives of these bodies fall in with the general plan of civic development, civic beautification, and civic utility. Bombay continues to be still the most advanced democratic constitution of a Municipality in India, since almost 75. per cent. of its total strength is elected according to the basis of population; while in Calcutta the elected element is about 70 per cent., and in Madras only 60. But the electoral units are determined and delimited in other Presidency cities much more minutely than in the case of Bombay, and thus approximate more closely to the Single District system than Bombay, thereby securing the representativeness of the Municipal councils far more fully than even the sister Municipality of Bombay. As a counterpoise, special interests in Bengal, like the Chamber of Commerce and the Trades' Association, have a much larger proportion on the Calcutta Municipal

Special Interests.

Corporation than in the sister city on the western coast—being 10 out of 90, or 12 if we include the Port Trust, against 4 only in Bombay out of 106. The official element is 16 or 15 per cent in Bombay and 10 or about 11 per cent. in Calcutta. But Calcutta has no element of co-option to secure the representation of special interests and backward communities, unless we consider the five aldermen elected by the councillors in Calcutta to be representatives of these special interests. Rightly or wrongly, however, the aldermen are considered to be more dignified than the ordinary councillors; and as such it is not likely that they would be representatives of classes or interests omitted in the ordinary elections.

Actual position.

On the whole, then, the actual position in India in Municipal administration shows considerable effort at securing proper representation of the civic population, diluted however in varying degrees by the official element of government nominees, and representatives of special interests who may or may not have an intimate connection with the actual government of the city.

### IX.—Special problems of civic representation.

Voters and Population.

We have already alluded, to some of the most difficult problems of civic representation in general. In India, these problems are complicated by the existence of an intense poverty, and its sister evil of ignorance and illiteracy, which exclude a great proportion of the civic population from representation. As we shall see in the chapter dealing with the Franchise, the condition of literacy, or some indication of wealth is usually required for the grant of the right to vote. This makes it inevitable that a very large number of the city's population should be permanently disenfranchised. Before the passage of the latest Act for the municipal reconstitution of Bombay, when property and status qualifications reigned supreme, there were only 12,000 voters out of a total population of over 1,000,000 in the Municipal limits. With a ten-rupee franchise introduced in 1922, the number of voters has been raised to close upon 90,000.\* This works out at about 1 voter in every 13 citizens; or taking only the adult population of both sexes,—there is no sex bar in Bombay,—it amounts to 1 in every 8. We do not include in this the case of that section of the people who habitually refrain from voting through apathy, indifference or ignorance of their civic rights and their civic obligations. These need not be pitied if they go unrepresented, even though among the indifferent and the apathetic may be some of the most intellectual and the best educated of the city's people. At the other extreme, in India, there is the case of those people, who, though otherwise qualified, may still be excluded from representation by the social conventions of the Indian people. We refer particularly to the Purdah women, the untouchables, and the depressed classes generally. In the most advanced centres, such as the Presidency Towns and the other more important Municipalities like Karachi, Cawnpore or

\* The total as supplied by the Municipal office is 88071, presumably for 1923-24.

Ahmedabad, the prejudices about Purdah or against the untouchables may not be so formidable as to exclude voters of this class from their right to vote altogether, or to prevent their representatives from taking their seats in the Municipal council. But in the more backward Municipalities the prejudice still continues ; and its injustice, always great in any event, becomes unpardonably acute and distressing, when we find the voters of this class, being otherwise qualified, yet excluded by sheer prejudice. It is intolerable that such sections of the people should continue to be excluded from the civic rights. Indian Municipal organisation and constitution must, therefore, continue to provide special machinery for the effective and adequate representation of such classes. With the prominent exception of the city of Bombay, where the principle of co-option has begun to work on a considerable scale in Municipal constitution, and is supposed to be given effect to for the sake of such communities as we have mentioned above, the existing modifications of the plain basis of population do not yet provide, in any Indian Municipal constitutions, representation for the classes which would otherwise be liable to be excluded by social convention or popular prejudice.

Representation in Indian Municipalities offers yet another problem in the shape of **Special Minorities** which are important because of their wealth, or considerable because of their numbers, but which are liable to be unrepresented on the plainest basis of population. The Parsis constitute one such minority in the city of Bombay the Mahomedans constitute the other and on a larger scale in the rest of India. The former are wealthy enough as a community, and educated and enlightened enough also, not to be ordinarily disenfranchised by any requirements as to voting qualifications. But their distribution in the several divisions of a city may be so disposed as in effect to leave them in a permanent minority of voting strength, which would be unable to secure any representation if the motive force at municipal elections were strictly or largely a communal sentiment. Communal feeling exists no doubt, even in the most advanced cities of India ; but we must not on that account exaggerate its influence or put in a plea for special representation. Besides, problems of civic administration are, generally speaking, of equal importance and common benefit, to every section of the civic community ; and, therefore, the influence of communal sentiment necessarily tends to weaken, wherever sufficient consciousness has developed of civic patriotism. The task of the Municipal Reformer in India, therefore, must be rather to arouse better understanding and greater interest in civic affairs, than stress the claims of specific communities for special representation. Still, while we would not advocate in the least special provision for the representation of minorities like the Parsis in Bombay, who would otherwise be qualified and influential enough to secure representation by the ordinary channels,—we cannot ignore that theirs is a case which makes a strong argument for the introduction of the principle of proportional representation.



sentation in some form even in our civic constitutions. In Bombay, they have adopted cumulative voting for this purpose ; and, judging by the results of the first municipal election under the new constitution, there is no danger of such important minorities being ignored. The Parsis have a membership far in excess of their voting strength, though not of their record of civic service, or their degree of civic sentiment.

#### Communal Representation

As regards the other minorities, which are numerous enough, but which are by poverty or ignorance liable to be disproportionately outweighed in the scale of Municipal representation, the case must be admitted to be materially different. The inherent mischief of the communal principle in distributing the strength of the municipal council is indisputable. On the other hand, the ignorance of the claim of such minorities for recognition and representation in the civic council may render the legislation and the policy of the city much too biased in favour of the classes represented. The remedy must be sought carefully, and applied courageously, if we would not pervert or subvert the aims of civic democracy. It is impossible to trust to Government nominees, or special electorates, to afford such a remedy ; for the former might be inclined to exercise their powers against the real interests of the community sought to be represented any time a particular community loses favour with the Government. Such an eventuality will naturally serve to emphasise communal distinctions, so fatal to the realization and development of the feeling of civic solidarity indispensable for the proper advance of civic self-government. We are, therefore, driven inevitably to the principle of universal suffrage for every adult citizen within the city. But of this more hereafter.

#### Experts.

The last of the special problems connected with civic representation that we need notice is the case of men with Expert knowledge. Constitutional legislation in India has provided the several governments with a margin of authority for the admission of the expert element in their local legislative councils, every time the need becomes indisputable of expert assistance for carrying through any particular piece of complex or complicated legislation. In the case of the Municipal organisations, the need for expert element becomes still more irresistible, in the formulation of policy and for its execution. Of course, there will always be special advisers duly qualified in each technical department of the Municipality. But these will be municipal servants ; and as such may not unjustly be considered in many cases to be interested parties, who cannot be fully qualified to advise disinterestedly on the questions affecting the extension and expansion or reconstruction of their several departments. The Municipal council as such must have the benefit of its own expert members to advise on the aspects of general policy, if not on the specific points in the administration of such policy. And such experts may be secured, either by co-option, or by the reservation of a certain small proportion of seats to be filled by qualifications different

from those required in the case of other members. The special representation, we may add, accorded in the Indian Municipal constitutions to Trades' Councils, Chambers of Commerce, Universities or Port Trusts, will not ordinarily secure that precise element of expert advisers on the general bearing of financial and other administrative considerations, which the Municipal council must duly take into account. And we have therefore to fall back on expedients such as co-option or special seats reserved, as suggested above.

### X.—Qualifications of Councillors in the Presidency Municipalities.

The qualifications for membership of Municipal councils are determined according to certain general principles. There must first of all be the necessary minimum of civic interest in the candidate for election to the Municipal council; and this is provided for by the requirement that no one will be qualified to be elected as a councillor unless he or she is entitled to vote at the Municipal election. A curious counterpart to this qualification in the list of disqualifications may be noticed here, as confirming the main basis on which voters alone are regarded as qualified for membership. Any Municipal councillor, who is continuously absent from the meetings of the council for a specified number of meetings, will, generally speaking, be disqualified. And though this disqualification is capable of removal, either by rules made under the statute by the local governments concerned,\* or by the Municipal corporation itself—the very fact of the recognition of such a disqualification attracts attention to the necessary minimum of civic interest as a condition precedent for election as member to the civic council.

Besides the right to vote, which in itself may demand certain prescribed qualifications to be noticed in the next chapter relating to the Municipal Franchise, the positive qualifications required of the candidates for Municipal Councillorship are: that they must be persons of sound mind, 21 years of age, and registered as voters in the city. In the city of Bombay a woman is allowed to be a councillor under section 8 of the Bombay Amendment Act No. VII of 1922; but in the other provinces of India, and in the District Municipalities of the Bombay Presidency as well, women are excluded from being councillors even though they may be entitled to vote at city elections. In Madras, we may note, Government has nominated women to the Municipal council.

There are no other positive qualifications required of candidates for Municipal councillorship; but a better idea of these qualifications may be obtained from a study of the disqualifications for membership provided under the several Acts. Section 16 of the Bombay Act gives a fairly general idea of the disqualifications held to be important in regard to elections for city councillorships in this

\* This practice prevails in the North Western Provinces, Oudh, Central Provinces, Punjab and Burma.

country. Generally speaking, the following are amongst the most important disqualifications : —

- (1) Unsoundness of mind,
- (2) Sentence by a Court of Law to transportation, imprisonment or whipping, for an offence punishable with imprisonment, for a term exceeding 6 months, provided that such sentence has not been subsequently reversed or quashed by a superior tribunal,
- (3) being an uncertificated bankrupt or an undischarged insolvent,
- (4) being a Municipal officer or servant,
- (5) having a share or interest in any contract of employment with, or under the Municipality,
- (6) being guilty of corrupt practices at Municipal elections,
- (7) being absent continuously from a specified number of meetings of the council even after a candidate has been duly elected member,
- (8) being pleaders, whose sanads have been withdrawn, or
- (9) Dismissed Government servants, or
- (10) Councillors who have been removed from office, or
- (11) aliens.\*

Rationale of  
disqualifications.

The one intelligible principle which seems to have dictated these disqualifications is that no one should be allowed to become a member of a Municipal Council, who either has not sufficient civic interest, or whose private interest as an individual may conceivably conflict with the interests of the Municipality and his duties as a member of that corporation. The last is the only reason why Municipal officers and servants, or those interested in any contract under the Municipality, directly or indirectly, are excluded. Of course, the mere holding of shares in a joint stock company which has a profitable contract with the Municipality does not automatically exclude from qualification as member, though it has latterly come to be regarded as a point of honour that such persons shall not vote,† at least without disclosing their interests in any matter affecting the contract or relation of the Municipality with such a joint stock company. Similarly, the holding of any share or interest in a newspaper, is not regarded sufficient to disqualify the holder of such shares from membership in the Municipal council ;

\* In Madras lepers are specifically disqualified from membership.

† "No Councillor or Alderman who has, directly or indirectly, by himself or by his partner or employer or any employees, a share or interest in any matter or thing described in proviso (a), or who has acted professionally on behalf of any person having such share or interest shall vote or take any part in any proceeding relating to that matter or thing." Sec. 22 (b) Calcutta Municipal Act 1923.

nor does occasional sale to the municipality of any article in which a person regularly trades constitute such a disqualification, though the several Acts attempt to define what is an occasional sale, and distinguished it from a regular contract for the supply of such articles to the Municipality.\*

On the same principle it is impossible to explain the inclusion, in the list of disqualifications, of a sentence to a term of imprisonment for an offence, or bankruptcy or insolvency. These may be considered to have included rather for the sake of propriety and decorum Moral turpitude, which conviction for such offences connotes, is obviously undesirable in people entrusted with the task of governing a city; and failure in their ordinary commercial dealings as indicated by bankruptcy or insolvency, must be explained, as a disqualification, on the same ground. The fact, however, that in many such cases of failings in decorum or propriety, the Local Government is empowered to remove, if it thinks fit, the disqualification by an order may be adduced as evidence of the relative unimportance of these disqualifications. This power of absolution in the Local Government applies not merely to punishments or the offence, but also to such cases as those of pleaders whose sanads have been withdrawn or to dismissed Government servants, or to councillors removed from their office.

Criticism.

There are, again, some disqualifications which apply only in the Presidency Towns of Calcutta, Bombay and Madras. In the case of Bombay, the Commissioner, the Deputy Commissioner, and the Chief Judge of the Small Causes Court in the city† as well as licensed surveyors and plumbers are disqualified for membership in the Local Municipal council. The reasons in each case are not far to seek except perhaps in the case of the Chief Judge of the Small Causes Court. This Government Officer is entrusted with the decision as to any dispute about disqualification, and as such is obviously disqualified himself. In Calcutta, Municipal officers and servants of all grades, plumbers, Judges of the Small Causes Courts, Municipal Magistrates etc. are disqualified; while in the Madras Presidency Magistrates are similarly disqualified.

## XI.—Provisions for Membership in the District Municipalities in India.

The same general principles which have influenced the legislation with regard to the principal Municipalities of the Presidency Towns have also dictated the regulation as regards membership of the District Municipalities in the country. The influence of the democratic sentiment is noticeably less in the District Municipalities than in the capital cities. In each case the Local Government fixes, from time to time, the total number of Municipal Councillors; and also lays down the proportion of such councillors as may be nominated

Qualification  
for membership  
in district Mu-  
nicipalities.

\* In Bombay this occasional sale is defined as worth Rs. 2000 at most in a year.

† See Section 18 of the Bombay Municipal Act of 1888 as amended by Act No. VI of 1922

by Government, and such as are to be elected. In the Bombay Presidency the general rule is :

“ That the number of elected members shall be not less than one half inclusive of the president, and that not more than one half of the nominated councillors shall be salaried officers of Government.”\*

In Bengal under the Act of 1884 the total strength of Municipal Commissioners varies between 9 and 30. Two-thirds of this number fixed by a notification of the Local Government are elected ; while the remaining third are appointed by name or official designation by the Local Government, so, however, that the number of persons holding salaried offices under the Government and appointed as Municipal councillors shall not exceed in proportion one-fourth of the total number of commissioners elected and appointed combined.†

In the Punjab the nominated members who are salaried officers of Government are not to exceed one-third of the whole Municipal committee ; and the strength of the Municipal committee (or council) is determined by a notification by the Local Government, subject to the condition that it cannot be less than three.

In all these provisions about membership in the District Municipalities in India, we notice the official element introduced by nomination. Its presence is justified on any one or more of the reasons summarily noticed above. The present intention, however, seems to be to extend, as far as may be, the element of elected members. To that end the latest reforming Acts relating to Municipal government have made special provisions for increasing elected membership.

## XII.—Suggestions for Improvement.

Suggestions  
for improve-  
ment. On a review of the Municipal constitutions, in the several Presidency and District Municipalities in this country, it seems clear that there is still considerable room for improvement. In the first place the power of the Local Government in :

- (1) fixing the total strength of the Municipal membership ;
- (2) in having a certain proportion of that membership as Government nominees ; and
- (3) in imposing or removing certain disqualifications,—seems to be excessive.

Even if we do not suggest complete abolition of this direct and indirect influence of Government in the regulation of the Municipal bodies, we must insist upon

\* See Section 10 of the Bombay District Municipalities Act No. 111 of 1901.

† In the event of the total number not being divisible by 3 or 4, the  $\frac{1}{3}$  or  $\frac{1}{4}$  is ascertained by taking the number next below the whole number, which is evenly divisible by 3 or 4, as the number to be divided. See Sec. 14 of Bengal Act 3rd of 1894.

a considerable curtailment of this power if a real interest in local affairs is to be developed amongst the people. With a little effort on our part to inculcate the consciousness of interest in civic matters, we may very soon induce townspeople to take an active and intelligent interest in the administration of their local affairs. And with the growth of this interest, the excuse for the retention of the Government nomination and Government influence, at least in the Presidency Municipalities, will disappear. Official nomination is unequal to providing an adequate representation for important minorities or special interests. It undermines and imperils the existence of the democratic principle. The right of the Local Governments to nominate persons on the town council must, therefore, be clearly limited to the appointment of experts, either for the whole term, or some definite period in connection with any specified piece of legislation for the Municipality. All other powers, including those of imposing or removing a disqualification, must also be taken away from the Local Government.

A second suggestion for improvement in the existing constituencies of Municipalities in India may be made in regard to the strength of the council and the distribution of its membership. Membership must clearly be related to some concrete basis; and the best, in spite of its imperfections, is that of population. One member to each thousand, or to each ten thousand, of inhabitants within the Municipal limits must be clearly prescribed by law as the objective to be aimed at in the determination of the total strength of the Municipal council. And, as far as possible, such members must be elected by single member constituencies, as in Madras, unless the principle of Proportional Representation is adopted. The principle of cumulative voting will not suffice, by itself, to achieve the aim.

This last, however,—namely the principle of Proportional Representation,—is, in our judgment, the most considerable reform that needs to be made in the constitution of Indian Municipalities immediately. Given the present conditions of India, there must inevitably be minorities. And in order to secure due representation to all interests and classes in the civic population, Proportional Representation seems to be the best method. In order, however, that Proportional Representation and other devices for securing full representativeness in the Municipal Councils may succeed, the basis of election to such Councils will have to be very considerably widened. Municipal councils must be wholly,—or as largely as possible, elected, with some slight room for co-option and official nomination, on the basis of adult suffrage. There must, of course, be left no room for communal representation to any community. The question of suffrage is considered more fully in the next chapter.

## CHAPTER VI.

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### FRANCHISE.

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#### I.—Municipal Franchise against National Franchise.

Problem of  
Franchise.

In all states organised on a democratic basis, the problem naturally arises as to the qualifications of the persons electing representatives to the Legislative authorities in the State. The next question that confronts us is how the qualifications should be established, recorded and attested.

It must not be forgotten that the idea of democracy has shifted so far from its original meaning in modern times, as to make democracy not a rule of all the people by all the people, but rather a rule of all the people by some of their chosen representatives. Democracy or popular government, is thus effective only indirectly. The degree of its effectiveness varies with the size of the unit with reference to which it is to be considered. Considerations of convenience make it unavoidable that each representative even in the Central Legislative authority may represent from ten thousand to a million or more of the people. The five million odd voters of India, under the present restricted franchise for the central and local legislatures, are represented by a hundred members roughly in the Central Legislature. Even if the principle of representation were as fully extended as it is conceivable,—even supposing that the principle of adult suffrage irrespective of sex, wealth, or knowledge were adopted,—the requirements of convenience will demand in all probability that the Central Legislative Assembly of India shall not exceed in total membership a certain number,—perhaps five hundred in all at the most ; and in that event each member would probably represent five hundred thousand people. Necessarily the representativeness of such a representative must be extremely limited.

Representativeness :—how secured.

If the degree of representativeness is to be increased, smaller democracies within the State must be created in the shape of municipalities and district boards. When the present Act governing the constitution of the Bombay Municipality was passing through the Local Legislative Council, a highly special pleading was put forward for making a distinction between the franchise for election to the Provincial Legislative Council and the franchise for election to the local Municipality. On the specious ground that the Municipality was invested with far

larger and more effective powers than the Legislative Council. it was argued that the local franchise must be more restricted.\*

Of course, though we agree that the qualifications of voters to the Municipal and Legislative Councils must be differentiated, in this particular case, the special pleader is, if at all, valid simply because of the highly artificial and restricted conditions imposed upon democratic government in India. The problem of distinguishing between the national and the municipal franchise, must be considered to arise rather from the differences in the work before those two classes of authorities. The work and outlook before the city governing authorities would necessarily be different from the work and outlook of the Central governing authorities. And though the problem of Municipal franchise is determined to-day, not by the Municipalities themselves acting on their own accord,† but rather by the Central Legislative bodies by special enactments in that behalf, the peculiar conditions of the civic needs and of the civic population cannot be ignored in making provision for franchise within the city. Municipal franchise should be so regulated as to permit of the fullest satisfaction of the needs of the city and of its population, without, of course, losing sight of the general purposes of the state, of which the city is a part. But subject to the limiting consideration that Municipal franchise cannot be made to conflict with the requirements of the state,—there is no other reason why a differentiation may not in fact be made between the national and the municipal regulations about franchise. It may be, for example,

Distinction  
in voting Qua-  
lifications.

\* Sir, it is not necessary that what might be considered as satisfactory basis for electoral purposes in one case (Legislative Council) need necessarily be so regarded in the other (Municipality). In adopting the low basis of franchise for Council election, Government have provided for communal and class elections with a view to safeguard the interests of certain minorities and certain classes. We in the corporation have no such class or communal representation or minority election. Therefore the basis of election in the one cannot be the basis of election in the other. Besides that, Sir, the Legislative Councils cannot by a stretch of imagination be compared with the Bombay Corporation. The former is quite differently constituted from the latter. We are aware, Sir, that our council is composed of Executive Councillors, and members, presided over by the President. The Executive Councillors cannot be dictated to by the members. Is there anything like that in the Bombay Corporation? You are aware that the Bombay Corporation can make and un-make any chief officer. Have you any power to make and un-make Executive Officers here? Are you aware that the power of the purse is with the Corporation? Is the power of the purse wholly and solely with the Council? Sir, another glaring instance is that our resolutions in the Corporation are not to be supervised or submitted to the Governor-in-Council, while here in this Council any resolution can be vetoed by the Governor-in-Council." (Dr. S. S. Batliwalla in Bombay Legislative Council Debates. Vol. VI. 1922. Page 87 and 88.

† The following provision in the Punjab Municipalities Act of 1911, (No. III.) seems to be unique in that regard as it suggests the possibility of the initiative for a change in the constitution of a municipality emanating from that body itself: S. 14 Ibid. "Notwithstanding anything in the foregoing sections of this chapter, the local Government may, at any time, for any reason which it may deem to affect public interests, or at the request of a majority of the electors, by notification direct.

(a) that the number of seats on any committee shall be increased or reduced.

\* \* \* \* \*

(b) that a seat on any committee then filled by appointment shall thenceforth, when vacant, be filled by election."

This is at the initiative of the electors and is highly suggestive of direct action. It may be added that the latest change in the Bombay Municipal constitution was also first considered by that body itself. There is a danger in such a procedure that too much attention might be paid to vested interests in such cases, e.g. to the Graduate vote in Bombay.



quite in accordance with the requirements of national policy that the basis of election should be simplified by a system of uniform territorial representation, irrespective of any special claims of communal or class representation. But, in the case of cities, mere division on a territorial or population basis may not suffice to secure such a representation as would most effectively meet with the needs of the city. Take for instance the alien vote which must be regulated on different lines in the city and in the national elections. Property owning or tax paying, with or without residence, may quite reasonably permit aliens to vote in city elections; whereas those qualifications together with naturalisation may also have to be insisted upon in the case of national election as far as aliens of friendly countries are concerned.

## II.—General considerations determining Municipal Franchise.

Franchise a  
mark of citi-  
zenship.

Granting then, that there is a possibility of distinguishing between the basis for national and for the municipal elections, the next point to consider is on what lines civic franchise should be regulated. A careful study of the various conditions of the municipal franchise in the several countries discloses two principal, and divergent, lines on which civic franchise seems to be regulated. According to the first, civic franchise is accorded however where there is political capacity. And as this view of Municipal suffrage prevails usually in the countries where general political capacity is presumed of all adult citizens, or at least of all adult males, manhood or adult suffrage for Municipal purposes is the common characteristic of these countries. Such countries are the United States, France and Italy. The modicum of civic interest, which must necessarily be imported into it if the civic franchise is to be properly exercised, is provided by conditions of residence. Residence is most rigorously insisted upon in the United States; whereas in France they seem to hold that civic interest depends rather on the payment of taxes in a place than upon residence. Here, we may note, is a curious divergence of views as to the place of the civic organisation and its work in the life of a citizen. If city organisations are looked upon primarily as intended to furnish service to the citizens, residence would have to be preferred to any other qualifications. On the other hand, if civic organisations are looked upon as being intended for the collection of taxes only, as deputies or delegates of the Central Government only, residence may be a point of second rate importance. Even where tax-paying is made more important than residence as qualification for voting in city elections, it is still provided that though non-resident tax-payers may be voters, non-resident councillors of a city-council are not to exceed a given proportion of the total membership usually. In England any local tax-payer, residing within 15 miles of the borough, may be elected to the council. And in Germany about half of the councillors must be property owners, and therefore voters, in the city.

The other view about the basis of Municipal suffrage seems to hold that those only should be qualified to vote at city elections who have a stake, more or less permanent, in the city which their vote affects. Such a qualification would naturally be quite independent of general political capacity. Countries which adopt this view of Municipal suffrage consider property-owning, or tax-payment, to be a better basis for the accordance of municipal suffrage, than citizenship by itself of the individual citizen. Whether or not the individual citizen as citizen is represented in the Municipal council, property must be. Hence these countries, of which England and Germany may be taken to be the most outstanding examples, grant the right to vote in Municipal elections only to those persons, who have a property qualification, evidenced either by the ownership of some property within the Municipal limits, or by the payment of taxes. It is the same principle at bottom which discriminates in the voting strength of the individual citizens according to the amount of property held by them. Residence is also insisted upon in these countries as in the other group mentioned above.

Franchise a consequence of "a stake" in the city.

### III.—Municipal franchise in India.

We may now consider :—

- (a) the basis and
- (b) the conditions of municipal franchise in India.

In this country we seem to follow, in the regulation of the Municipal franchise, the English rather than the American or the French model. We may summarise the positive and negative qualifications for Municipal voting as follows :—

Voters' Qualifications.

- (1) Being of full age, usually 21 years completed ;
- (2) being free from any legal incapacity, such as subsisting punishment for crime or insanity ;
- (3) and paying the qualifying taxes ; or
- (4) owning immovable property within the Municipal area assessed to and paying qualifying taxes.

The Bombay Municipal Act provides an excellent illustration for the regulation of Municipal franchise in India.\*

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\*The Calcutta Municipal Act, 1923, Bengal Act No. III of 1923.

Election and appointment of Councillors and Aldermen. *Section 20.* (1) Subject to the provisions of any other law on the subject for the time being in force, every person shall be qualified as an elector of a general constituency specified in Schedule III who owns or occupies or resides in any premises, or exercises any profession, trade or calling ; within that constituency if such person—

(a) being (or having been) the owner or occupier of any premises liable to be assessed to the consolidated rate under Chapter X, or being (or having been) the owner or person in charge of any carriage or animal liable to the tax under Chapter XI or being or (having been) a person liable to the tax on professions, trades, or callings under Chapter XII or in the case of the first general election held under this Act, under the corresponding chapters of the Calcutta Municipality Act, 1899, has, as such owner, occupier or person, as the case may be, paid directly to the Corporation a sum not less than twelve rupees in respect of such consolidated rate, or in respect of such taxes, or in respect of both such rate and taxes ;

Residence.

"A person shall not be entitled to be enrolled in the municipal election roll as a voter of any ward unless such person has, on the 30th day of September in the year preceeding that for which the roll is being prepared, attained the age of 21 years, and has, on the first day of April next preceeding the date of publication of the electoral roll, **occupied as owner or tenant**, in such ward building, or part of a building separately occupied as a dwelling, or for the purpose of any trade, business or profession of which the monthly rental was not less than Rupees ten."

It will be noticed that the Bombay constitution is by far the most liberal, giving Municipal franchise to about 90,000 of the City's population, whereas in Calcutta out of a total population of 1,327,547 only about 70,522 are qualified to vote at Municipal elections.

#### IV.—Some Obsolete Qualifications for Voters.

Status Qua-  
lifications.

Among the qualifications which have either been discarded or become obsolete, we may make special mention of those connected with a particular status. Graduates of local Universities, for example, were, as such, allowed a certain number of votes in the Municipal elections in all provinces in India. The latest Act relating to the Municipal constitution of Bombay has withdrawn that right, though in the District Municipalities it is still exercised. During the passage of the Bombay Municipal Act of 1922 through the Legislative Council a strong fight was made for the retention of the Graduate vote; but it was pointed out that the interests as Citizens did not differ according as a person was a graduate or not. Graduates as such had no separate distinct interests of their own in the Municipal organisations; and consequently there was no need for giving them separate representation. On the other hand, it must not be forgotten that in view of the organisation of Indian society, where the Joint Family system is the rule, many citizens, otherwise fully qualified, are debarred from voting because they have no separate house or qualifying tenancy of their own. Justices

*(Continued from previous page.)*

(b) being or having been the occupier of any premises valued for assessment purposes under this Act or, in the case of the first general election held under this Act, under the Calcutta Municipal Act, 1899, or of a portion of any such premises has, at any time during the year last preceeding the year in which the election is held, paid rent for such occupancy for at least six months during the said year at a rate not less than twenty five rupees per mensem, and has on application to the Executive Officer had his name entered in a Register to be maintained for the purpose;

(c) being or having been, for not less than six consecutive months during the year last preceeding the year in which the election is held, the owner of a hut in a bustee valued for assessment purpose under Chapter X, or, in the case of the first general election held under this Act, under the corresponding Chapter of the Calcutta Municipal Act, 1899, and on account of which a sum not less than twelve rupees has been paid during the said year in respect of the consolidated rate, has on application to the Executive Officer had his name entered in a Register to be maintained for the purpose;

(2) Subject to the provisions of any law on the subject for the time being in force, a company, body corporate, firm, joint family or other association of individuals, as such shall be qualified as an elector, provided that such company, body corporate, firm joint family or other association of individuals possess the qualifications prescribed by clauses (a), (b), or (c) of Sub-section(1).

of the Peace, again, were also allowed to return certain members from amongst their own special constituency; and these also have been deprived of this special privilege as a class. In the present constitution of Bombay and of Calcutta, all such special class or status franchise is dropped. The right of voting accorded to certain institutions or bodies within the city, such as the Chambers of Commerce, or the University, or the Trades' Association, is not to be viewed as special representation connected with a particular status; but it rather secures proper representation to certain interests, which would otherwise, perhaps, not be represented. The prosecution of a trade or profession within the city limits, as recognised in the latest Calcutta Municipal Act, is also not to be considered as constituting a distinct suffrage connected with a particular status; since prosecution of a given profession is not by itself a basis for the right to vote, but rather it is the tax paid on the prosecution of such professions, trades, or callings, which, as it seems to us, allows the right to vote at Municipal elections.

In the most advanced Municipal constitution in India, however, we have not yet reached the stage of that absolute simplicity, fullness, and directness in Municipal suffrage, which is found in a simple, clear right to vote given to all adult citizens. Some complicating and limiting qualifications of property or status are still retained. Age limitation, though a restriction on the franchise, has yet its own special justification. This limitation must remain, not because people below the prescribed age have no political capacity or intelligence, but rather for the sake of convenience. Adult Suffrage.

We may note in passing that in the case of Municipalities, the principle of communal representation does not command the same importance as that principle does in the case of national elections. In Bombay, the latest Act on the subject has definitely dropped communal representation as applied to the city elections. In Calcutta, they still insist upon special seats being reserved for Mahomedans under the specific terms of the Act of 1923, and to that extent the Calcutta constitution must be considered as more backward than the Bombay or Madras constitutions.\* The emergence of the communal principle, however, may be considered to be a development of the special political conditions of the country to-day, which are not likely to be permanent characteristics of our political life, and as such may be overlooked. It cannot be denied that civic interests are common to all citizens, regardless of their communal differences. These are material interests predominantly and must affect equally all persons resident within a given territory. Accordingly, there is neither reason nor justice in creating communal electorates for city elections. Communal Representation

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\* Says the Bombay Administration Report for 1922-23: "In 1921-22 the Municipal franchise was put upon the same basis as that for the local Legislative Council, and communal representation to Muhammadans was allowed in all municipalities." p. 171-2. This does not apply to the city of Bombay, where the principle of communal representation is dropped. Rangoon secures all its members under the latest Act on a communal basis; while in Calcutta they have specially reserved seats in several wards for Muhammadans only.

## V.—Special Franchise in India.

**Special Cases.** In a previous section we have already referred to the necessity, under the existing circumstances or conventions in India, for providing some form of special representation for those classes which could not ordinarily secure representation. Special representation is inherently bad; and the evil becomes greater if it is accorded on communal basis. But the kind of special representation we have referred to is rather in connection with interests than with communities, divided from one another, rather owing to a divergence in material interests than in their religious differences.

**Untouchables.** A.—The case of the untouchables already mentioned is a case apart, for which there is hardly a parallel in the rest of the world,—unless we consider the Negroes in some of the Southern American cities to afford some sort of an analogy. The untouchables are excluded by social conventions, which may be disgraceful, but are not insignificant. Their numbers and poverty make their exclusion particularly objectionable. They are a section of people, who, by general convention, are particularly concerned with those functions of the Municipality that have the most vital bearing upon the public health of a city. Their representation is thus doubly necessary; and we must provide for it specifically, if in the ordinary course of election they would be likely to be excluded. In doing so, we would not be offering any encouragement whatsoever to the maintenance of such disgraceful prejudices, but shall only be recognising a claim which is irresistible on ethical as well as on political grounds. In recognition of their poverty, we must accord the vote to this class, on grounds simple enough to be within the ability of these classes to satisfy. Work rather than wealth, should be made the basic ground for municipal franchise in such classes. We should not insist on the ability to pay taxes, as a qualification for the exercise of their vote, but simply consider their capacity to work. Of course, it is, difficult to give effect to this ideal in practice, but therefore it is all the more important why the whole basis of Municipal franchise should be so recast as to make it correspond, as nearly as may be, to adult franchise. On the basis of adult franchise, irrespective of wealth or position, the social conventions which ostracise the untouchables would have very little significance. The representatives of such classes, if elected, must be allowed to sit equally with the other representatives of the city; and these latter must be presumed to be enlightened and liberal enough not to insist upon exclusiveness that would be an insult to their fellow representatives of important classes in the civic population. Nor need we insist upon special facilities for such classes of citizens to record their votes at the time of election, *e. g.* by erecting special booths for the voting of this class, simply because they are untouchable,—owing to a social prejudice,—by the other classes of the civic population. But rather than have such classes in practice excluded from an exercise of their right to vote, we would not object to special facilities and provisions to make their right effective.

B.—This last mentioned requirement becomes particularly necessary in the case of **women**, who, in many provinces in India, suffer under a peculiar disability in the exercise of their political rights in a democratic community. The **purdah** system, wherever it is in vogue, disables women effectively from voting at Municipal or National elections. It would be unwise and unjust to wait until that system is abolished before political rights are accorded to the better half of humanity. Civic problems, particularly those relating to public education, public health and public convenience, are within the peculiar domain of women, as established by untold centuries of the division of work between man and woman in civilised communities. And, if a further argument was necessary, women have a peculiar advantage in a keener instinctive perception of the beautiful, which makes them even more fitted in giving expression to the ideals of civic beauty in the task of civic administration than their brothers, fathers or husbands could ordinarily be. Women, whether married or not, have an indefeasible right to an equal political recognition in democratic communities. Incidents, like the purdah system, which impose upon them special disabilities, must be discountenanced and overthrown; but until they are abolished altogether, their place and importance in society must not be overlooked, their contribution to the improvement in life and municipal administration cannot be dispensed with. Hence it is, that besides allowing equal rights of voting at Municipal elections to women who satisfy other qualifications of age and status and wealth, as may be required from men, we may also have to provide specific facilities for having their votes recorded, which would be unnecessary when disabilities like the one under notice are abolished, but which are indispensable while such disabilities last. These facilities, we may also note, affect rather the procedure at election than the basis of franchise.

Purdah  
women.

On the other hand, in conceding such special facilities, we must not overlook the possibility of abuses inherent in all such special facilities. The difficulty of identification of women allowed to vote in purdah may lead to corrupt practices vitiating the election, which must be guarded against by the provision of special voting booths with women supervisors or scrutinisers, who will guarantee the identification of the voters. Similarly other abuses or defects if any must be correspondingly guarded against.

Possibility of  
abuse.

## VI.—Mutual representation.

A word may be said in passing about representation mutually of several civic bodies with distinct but yet interdependent and correlated spheres of activity. A city University, even when it has not the extensive territorial jurisdiction such as the present Presidency University of Bombay, has a sphere of activity markedly different from that of the Municipal council of the city. On the other hand it has

Representa-  
tion of the Uni-  
versity and the  
Port Trust.

a very close connection with the functions of the Municipal council. The Corporation will gain in efficiency if it entrusts or delegates a part of its educational functions to the specialised body—the University; and the University will similarly gain in utility, if it takes over such functions and discharges them on behalf or as the delegate of the Municipal council, even in the department of primary and secondary education, which are not particularly and immediately within the ordinary domain of University activities. Mass education is, again, a special problem in which the Municipality may be particularly interested; but the proper solution of which will perhaps not be satisfactorily attained by the one-sided activity of the Municipality alone. The co-operation of the University in such questions will be invaluable to the Municipal council, particularly so in a country where illiteracy is so acute as in India; and where the advent and progress of the democratic principle is threatened to be postponed simply on the score of the prevailing illiteracy. But, since intelligence is independent of literacy; and since an intelligent interest may be taken by every citizen who has reached the years of discretion, independently of his literacy qualifications, it would promote that interest, if the ordinary problems of daily administration in Municipal life were placed intelligibly and interestingly before the citizens regardless of their illiteracy, by masters of each particular subject ordinarily to be found in the ranks of University Professors, or of the teaching bodies connected with the University. In order however that the Municipal view-point and policy should be known to the governors of the University; in order however that this delegated function of the Municipality be discharged by the University to the satisfaction of the Municipality, it is necessary that there must be some representation of the University bodies on the Municipality, and *vice versa*. Similarly too, with such special bodies as the several Port Trusts of the Presidency towns in India. The separation of jurisdiction and functions between the Municipal and the Port authorities may or may not be an approvable proceeding. For our part, we consider this separation to be unnecessary and unwarrantable, as it infrings upon that possibility of co-ordinate action and co-related policy with regard to the general development of the city as a whole, which is highly advisable. But given the existing conditions of India, the inherent vice of the prevailing system can only be rectified by according special representation mutually to the Port Trust on the Municipal council and to the latter on the Port Trust. The justification of this somewhat cumbrous procedure is found only in the argument that aims at securing a due representation of all interests in every authority entrusted with any part of the complex domain of civic administration.

## VII.—Conditions for the Exercise of the Franchise.—Presidency Towns:

**Registration.** As already mentioned, the most important condition for the exercise of the right to vote at city elections is residence within the Municipality for a prescribed

period before the election. "The purpose of this provision is to afford an invaluable protection against fraud through colonisation and the inability to identify persons offering to vote, and further offers some surety that the voter has in fact become a member of the community and as such has a common interest in all matters pertaining to its government, and is therefore more likely to exercise his right intelligently."\* Of this, however, the first mentioned purpose, namely the need to identify persons offering to vote, is served rather by the **Registration** of all Municipal voters than by mere **residence**. Registration in a proper electoral roll maintained for the purpose is specifically laid down as an indispensable condition in the exercise of the right to vote in all legislation on the subject. In fact, a person whose name occurs on the electoral roll is considered as fully entitled to vote, even though he may not legally be so. "The real object then which the condition of residence is intended to serve is the need to secure a certain interest in civic matters in every person given the right vote at civic elections."†

In this connection we may note that residence is not the same as occupation of a building. The latter, legally considered, is an element in making up the qualification as voter, while residence is only a condition. Occupation of a building or a part of it, is considered to be sufficient for purposes of acquiring the right to vote, if the occupier rents that building, and, though not inhabiting it regularly is nevertheless so much in control or dominion over the place as to be able whenever he likes or chooses to return to the premises and occupy the same. The condition of residence may be satisfied if it is anywhere within the prescribed municipal limits. The condition of occupation, on the other hand, can only be satisfied if it is in reference to a given building. The occupation must moreover be in one's own name, or for one's own benefit, and not as a mere lodger, or in virtue of an office or service or employment. Residence combined with Registration may thus be considered to be the condition governing the exercise of the right to vote. We shall consider more fully the detailed provisions regarding registration in the chapter dealing with Voters and Voting, or the procedure at Municipal Elections.

Residence.

### VIII.—Conditions for the exercise of the franchise in the District Municipalities.

We may next notice the conditions as to franchise in the District Municipalities of India. Section 12 of the Bombay Municipalities Act No. III of 1901 is an excellent illustration on the subject.‡

Franchise in District Municipalities.

\* Ayangar's Law of Municipal Corporations in India. Page 37.

† See Flintham against Woxborgh (1886) 17 G.B.D. 44. (As quoted in Ayangar's Law of Municipal Corporation, page 39.)

‡ The Bengal District Municipal Act III of 1884. Section 15. For the purpose of the aforesaid election of Commissioners, the Local Government, with respect to each Municipality, shall lay down such rules, not inconsistent with the provisions of this Act, as it shall think



Provision as to admission of certain qualifications.

Subject to the provisions of section 13 and to the disqualifications mentioned in section 15 and sub-sections (3) and (6) of section 22 as regards candidates, and in section 21 as regards voters,

- (a) every Honorary Magistrate, and
- (b) every Fellow and every Graduate of any University, and
- (c) every Advocate of the High Court and every pleader holding a sanad from the High Court, and
- (d) every juror and assessor who has been resident in that district for a period of not less than six months next preceding the date on which by the said rules a list of voters is required to be prepared or revised in a municipal district; and
- (e) every person who for the like period has been paying taxes, other than octroi or toll, imposed in that district, of an amount not less than such minimum as shall for the time being be fixed for that municipal district by the Governor in Council in the case of City Municipalities and by the Commissioner in other cases

shall be qualified as a candidate and be entered in the list of voters for the said district.

It will be noticed from the above that qualifications of status as well as property, and the conditions of residence as well as registration, are enforced in the mofussil much more fully than in the advanced Presidency centres. The right of Government nomination is also an important factor in the constitution of the District Municipalities; while the conditions under which that law may be exercised are still within a large discretion of the local government. Finally, in some cases, as in Bengal, and in Burma (Rangoon) the principle of co-option by the

*(Continued from previous page.)*

Rules to be laid down for election fit in respect of the division, where necessary, of each municipality into wards, and the number of commissioners to be elected for each such ward, the qualifications required to entitle any person to vote for a candidate for election, and in respect of this mode of election (and the Local Government may at any time cancel any rule made by it under this section :

Provided that every male person who is at the time of election, and has been for a period of not less than twelve months immediately preceding such election, resident within the limits of a municipality, and who

(i) has, during the year immediately preceding election, paid in respect of any rates an aggregate amount of not less than three rupees, or

(ii) has, during the year aforesaid, paid or been assessed to the tax imposed by Act II of 1886 (an act for imposing a tax on income derived from sources other than agriculture), or

(iii) being a graduate or licenciate of any University, or having passed the first Arts Examination of the Calcutta University, or the corresponding standard of any other University or holding a license, granted by any Government Vernacular Medical School, to practise medicine, or holding a certificate authorising him to practise as a pleader or as a mukhtar or as a revenue agent occupies a holding, or part of a holding, in respect of which there has been paid, during the year aforesaid, in respect of any rates, an aggregate amount of not less than three rupees shall be entitled to vote at the election of Commissioners of such Municipality.

No person who is not entitled at the election of Commissioners for election to be a Commissioner of such municipality.

(Provided that nothing in this section nor in any rules made under the authority of this Act shall be deemed to affect the jurisdiction of the civil Courts.)

*Qualification of Voters :—*A person whose income-tax is below the taxable minimum does not become qualified as a voter within the requirement of this section by submitting to the levy of the tax. Similarly, a person who is not legally liable to pay the municipal rates as required by the section does not become qualified as a voter by paying such rates,

electd and appointed councillors has been introduced in recent years for a more proper constitution of the Municipal council in the districts of the more advanced provinces.\*

### IX.—Disqualifications of Voters.

Having considered the positive qualifications required of municipal voters, we may next turn our attention to the <sup>Disqualifica-</sup>disqualifications attendant upon the exercise of this political franchise for civic elections. These disqualifications we may group under three main heads:—

- (1) Status and Civil condition.
- (2) Economic condition, and
- (3) Miscellaneous disqualifications due to specific reasons generally of temporary duration.

I. As regards the first we may include in this group disqualifications arising from :

- (a) age,
- (b) sex,
- (c) civil condition arising from marriage,
- (d) conviction and punishment for certain specified offences, and consequent suspension or withdrawal of civic rights for the time being and
- (e) unsoundness of mind.

As regards age (a), being of a certain prescribed age is a positive condition for the exercise of the franchise, which, when not fulfilled, must be considered to constitute a disqualification. As already explained, the selection of any particular age, below which political rights are denied, is arbitrary,—a mere matter of convenience, and not necessarily an application universally holding good that below the prescribed age human beings are wanting in political capacity. Many a school boy is better qualified for voting at Municipal and even National elections than a man of mature years, habitually addicted to drink or other vices affecting and vitiating his judgment. The free exercise of his judgment is often more difficult in a full grown citizen owing to reasons quite unconnected with the political capacity of the voter or the candidate. Reasons of convenience, however, combined with a certain degree of psychological considerations, make it inevitable that a certain age be selected and prescribed as minimum, below which political rights cannot be permitted. It would be only fair to add that, while prescribing such a qualification would be inconsistent with full democracy, the latter would itself be imperilled if universal suffrage, the logical conclusion of a

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\* (See the Administration Report of Bengal for 1922-23.)

rigorous insistence on complete democracy, were made the rule ; and if, in consequence, babes in arms were allowed to vote equally with their parents or guardians of mature years.\*

#### Sex.

(b) As regards sex, the old disqualification is rapidly disappearing before the advance of modern ideas about the equality of the sexes. Whatever may be the reasons that establish a certain division of work between the sexes generally, those reasons are now admitted to be of no importance against the claim to an equality of treatment in matters political as between the sexes. Citizenship has its obligations equal upon all citizens, irrespective of sex ; and it is but fair that its rights also be made equal. As we in India are rapidly abolishing sex disqualifications, we need hardly notice this at greater length, beyond observing that such customs as the *purdah* system, which stand in the way of full exercise of their political rights by women, can be easily counteracted ; so that the general equality for the essential purposes of political rights may be secured. By law, however, women enjoy equal political rights nationally and municipally in Bombay only. It is not clear, but we do not see how women graduates of Calcutta, Allahabad or Lucknow could be debarred from their municipal franchise.'

#### Civil Status.

(c) Differentiation in political rights between the sexes even when done away with generally, may still crop up, at least as regards women, on account of the complication introduced by social institutions like marriage. A misconception of the change in status made English law for a long time deny Municipal suffrage to married women, even while it had accorded that suffrage to unmarried or widowed women. Leaving aside National suffrage for the time being, and confining ourselves to a consideration of Municipal suffrage, we may point out, that in theory it has been based, in India, upon the possession or ownership of property, or the evidence of a stake and interest in the city comprised in the payment of taxes, or the prosecution of some profession. And these being equal to men and women, wherever they exist, there is no reason to maintain sex disqualifications due to civil conditions arising out of marriage. It may be added, that under the Indian law governing Municipalities, no differentiation seems to be made on such grounds of civil conditions.

#### Offences.

(d) As regards conviction and punishment for certain offences, these are regarded in many cases as disqualifications both for candidates and for voters. The theory of this kind of disqualifications seems to be that conviction or punishment for such offences is an indication of turpitude, or of incapacity to exercise civic rights, which, if overlooked, may constitute a danger to the rest of the

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\* In India, the qualifying age is universally fixed at 21. Though maturity is earlier in this country than in western countries; though the struggle for and responsibilities of life start earlier in India than elsewhere, the prevalence of intense ignorance and illiteracy makes 21 years not unduly high for the exercise of such political rights. In so far, however, as the problems of municipal administration have a direct bearing on the life of the citizens, a reduction of the age limit to, say, 18 years, will not be absolutely indefensible.

civic community. Criminals are generally regarded as enemies of the society as it is constituted to-day, and therefore they are debarred from exercising their civic rights. The fact that the entire foundation and outlook of the modern commercial society is wrong and harmful does not make this disqualification the less defensible and logical while that organisation lasts. Of course, we speak generally and not of the individual offences under this head.

(e) Finally the soundness of mind, premising full capacity for the exercise of these civic rights, is too obvious and axiomatic a qualification to need any elaborate explanation ; and its absence is too evident a disqualification indeed to need any laboured defence. Unsoundness of mind, to be a sufficient disqualification, ought to be found and declared to be so by a proper legal tribunal. Sanity-

We may also include in this connection certain specific disqualifications arising out of suspension of a particular status, such as **dismissal from Government service** for certain grave offences, or **withdrawal of sanads** from legal or medical practitioners on account of some serious professional mis-behaviour. But these disqualifications, which apply more particularly to candidates than to voters, are, like disqualifications arising out of the punishment for certain offences, of a temporary nature ; and are capable of removal either by Government action in that behalf, or simply by the efflux of time. They do not go to the very root of civic franchise or political capacity ; and as such need not be very much laboured upon. Miscellaneous.

The disqualification of aliens, not naturalised as citizens, is universal ; and may be considered as a disqualification arising out of status. This disqualification must be considered as axiomatic in our modern States dominated by intense,—and almost insensate-nationalism. But it is, in practice, materially modified by legislation regarding naturalisation. On the other hand, the modern tendency of some of the newer countries of America and Oceania to stiffen their immigration legislation is highly deplorable, as it amounts to a denial of civic rights to an important section of the civic community in these places.

#### X.—Disqualifications arising out of Economic Condition.

In the second group of disqualifications for the exercise of civic franchise, the most considerable, at least in European countries, is **poverty**. Poverty seems to be considered as on a par with crime, if not worse. If evidenced by the receipt of doles or relief under the Poor Law in the several countries poverty may constitute an effectual bar to the exercise of civic rights, which, because it is temporary, is not the less invidious or offensive. But the whole basis of civic franchise in these countries is conditioned by the ownership or possession of property or some other evidence of wealth, and so they are inexorably driven to raise destitution into a disqualification. Their offence against the principle of democracy Poverty.

lies, however, in insisting upon the receipt of relief as making a disqualification, after having first based their original franchise on the possession of a given degree of wealth in some shape or another. Real poverty, if endured in secret and in silence, does not constitute a bar to civic franchise unless it is also coupled with the inability to show the required property qualification. Given our present economic organisation, with its immense inequalities in the distribution of wealth, relative poverty seems to be inevitable. But it has no conceivable relationship with political capacity. In India, however, there is no municipally organised system of Poor Relief; and so that index of poverty has not become a disqualifying factor. We need therefore give it no more consideration.

#### Illiteracy.

It is a little difficult to say if Illiteracy as a disqualification should be noticed under the economic, or the general political group. So long as instruction is not a free privilege of all citizens, and so long as the most elementary education has to be paid for, the ability or inability to make this payment and obtain education will necessarily have a direct connection with the qualification or disqualification for the exercise of Municipal franchise. Until quite recently, even in European countries, particularly in Italy, illiteracy was regarded as a bar to the exercise of civic rights, and as such excluded a very large proportion of the city's population from the elections. In countries, however, as in the United States, where they have compulsory, universal, and free systems of public instruction, the insistence on the ability to read and write does not constitute any very great disqualification on any considerable number of citizens who have passed a certain age. In India, literacy, though not still brought within the reach of every citizen by a system of compulsory and gratuitous instruction, is not insisted upon in the Municipal Legislation as a necessary qualification or condition precedent to the exercise of Municipal suffrage. We may accordingly dismiss it with the observation that illiteracy has even less bearing than indigence upon good citizenship. Provided there is a genuine interest in civic problems, and provided that those aspiring to represent the city do all they can to educate their constituents in all the bearings of a given problem of civic administration and government, want of literacy would be no great difficulty. Assuming that the people in question have the necessary modicum of native intelligence, there need be no apprehension as regards the successful exercise of civic rights even by illiterate people. Illiteracy does not necessarily connote want of intelligence and therefore is not and should not be a bar to the right to vote at civic elections. Where, however, free and universal instruction is available, the insistence on a given degree of literacy would be a useful measure of the intelligent interest in civic affairs by a given citizen.

#### Inability to pay taxes.

In the economic group of disqualifications there are no others to be considered, unless we include that refusal or inability to pay taxes as constituting

a disqualification. But necessarily such disqualifications, even if they are regarded as disqualifications, would be of a temporary nature; and need not occasion any serious anxiety.

### XI.—Miscellaneous Disqualifications.

In the **third group** there may be a variety of [disqualifications of a more or less temporary character due to the specific conditions of each province. But <sup>Refusal to undertake civil duties.</sup> we may notice here one particular disqualification, which is perhaps not so universally given attention to as we would like it to be; for it measures the degree of civic interest possessed by individual citizens, the absence of which ought certainly to constitute a disability and a disqualification. This relates to the refusal to undertake civic duties by persons otherwise qualified to do so. In Germany, this disqualification is much more fully emphasised than perhaps in any other country, and that is possibly the explanation of the German City Government being more efficient and advanced than anywhere else in the world. Such a disqualification, however, cannot be capable of removal by atonement. Its existence serves to draw attention to the importance of civic rights and duties, which may have been ignored by the average run of citizens.

The disqualifications arising out of **corrupt practices at elections**, and which <sup>Corrupt practices.</sup> apply to the candidates and in a measure also to the voters, will be noticed more fully in the next chapter.

The general lesson of all these qualifications and disqualifications is not <sup>Conclusion.</sup> difficult to seek. They are all intended to provide some convenient, intelligible, concrete basis to indicate the citizens' interest and concern in the affairs of the city; and to eliminate any undesirable and unsympathetic element as far as possible.

## CHAPTER VII.

### VOTING AND ELECTIONS.

An interesting process.

The process of voting and election makes an interesting drama of Municipal life at the most crucial moment in its unfolding. It throws the most instructive light on the general ideal of Municipal life. Every person duly entered on the electoral roll is entitled to vote at Municipal elections. But the conduct of these elections has become the subject of the most minute regulation owing to the danger created by the coming into existence of violent party feeling. In India, as in Europe, party feeling displays its ingenuity in a thousand directions, and discovers every possible method for evading the rules and regulations framed with a view to discourage malpractices or corruption that would render nugatory any idea of real democracy.

These regulations may be studied in three distinct heads. These are : (1) regulations preliminary to an election, (2) provisions regulating the proceedings during, and (3) after the election.

#### 1.—Regulations Preliminary to an Election.

Returning

Before the election takes place, certain formalities must be fulfilled in order that the election, when it does take place, shall be by proper persons, and under the supervision of proper authorities. Taking the last first, viz. suitable authorities supervising the conduct of an election,—these may be of two kinds (i) The Returning Officer who is generally responsible for the conduct of an entire election; and (ii) the Presiding Officer who is in charge of the polling station. The Returning Officer is usually appointed, and his powers and duties regulated by statute. His functions are partly ministerial, such as the counting of votes or seeing that nomination and other formalities are duly fulfilled; and partly judicial, such as deciding the question of the validity of voting papers. The general rule in regard to these kinds of duties of the Returning Officer, as well as the distinction between these two duties, is well summarised in the statement that whatever a Returning Officer does in his ministerial capacity may be questioned in a Court of Law; but that whatever he does in his judicial capacity must be held to be final and binding, unless an appeal is provided against his decision by the statute.

“The duties of the Returning Officer have been thus summarised : he must (1) give notice of the election and supply nomination papers, (2) scrutinize the nomination at a fixed time and place, (3) arrange for

the taking of a poll if there are more candidates than there are vacancies. He selects the polling station, appoints presiding officers and clerks, and attends to the equipment of the polling station with its necessary paraphernalia including an adequate supply of ballot papers. (4) He counts the votes after hearing the objections as to the validity of the votes, and complaints as to personation and undue influence or other corrupt practices, (5) reports the result of the poll, and (6) arranges for the custody of the various election papers.\*

On the other hand the Presiding Officer's duties are relatively simple, and are comprised in (a) seeing that proper opportunity is afforded to all voters who want to record their vote and that ballot papers are not given to persons who are not electors; (b) maintaining a strict secrecy of the ballot; and (c) seeing that the election is free and unrestrained.

Duties of the  
Presiding Officer.

Thus while the Returning Officer may be said to be the officer in charge of the conduct of an election **before** the election and **after** the poll, the Presiding Officer may be said to be in charge of an election **during** the polling.

Of the formalities which have to be fulfilled before the polling, and with a view to see that the election is properly conducted, the most important seems to be that in connection with Nomination, which provides for some kind of method for placing the candidate's name on the ballot. It must be in the prescribed form and be presented within the prescribed time. Difficulties may arise out of the improper refusal of a nomination paper by the Returning Officer, or from an improper acceptance of the same. The former may materially affect the result of an election, while the latter is considered to be final, unless the order is reversed on an election petition. As a rule, candidates are not satisfied with the minimum of nomination papers required by law. They aim at securing nomination by several constituents from the several classes of voters, so as to indicate that their candidature has the support of a very wide proportion of voters. The Returning Officer publishes the nominations as received and scrutinizes them on the day appointed for the purpose. The object of scrutiny is to see that no ineligible persons have been nominated. The first condition, in the validity of a nomination, is that a person who cannot vote cannot nominate. Apart from this there are disabilities and disqualifications from which candidates may be suffering; and such disqualifications and disabilities will invalidate their nomination if the disqualification appears on the face of a nominating paper. The Returning Officer,

Formalities  
before Polling.

"must reject a paper on the ground that the candidate is misdescribed or inadequately described; that the necessary subscription of two electors (i.e. persons whose names appear on the electoral roll of the constituency) as proposer and seconder is wanting, that it was not delivered in accordance with statutory provisions, if any; that two

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\* Ayangar's Law of the Municipal Corporation in British India, p. 51.



candidates have been nominated on one paper, that the candidate has not subscribed the paper as assenting to the nomination."\*

In these records the Returning Officer acts in a judicial capacity, and his action in all these points is in the nature of a judicial decision.

We have already, in a previous chapter, outlined the disqualifications and disabilities that a candidate may suffer from, and need not go over the same again, beyond observing that the nomination would be ineffective if the candidate has before election withdrawn his candidature, or if the proposer or seconder suffers from a disqualification, or the signature of either of them has been obtained by fraud, or if either of them has signed a nomination paper previously. It may be noted that in regard to the disqualification of the proposer or the seconder of the candidate, the Returning Officer cannot challenge the correctness of an entry in the electoral roll. All he can do is to entertain an objection as to the status of the proposer or the seconder.†

## II.—Procedure during the Election.

Formalities  
during Process  
of Election.

Though the Returning Officer plays an important role in the proceedings before and after election, at the poll and during the election, he practically retires into the background giving the lead to the Presiding Officer. The duties; of the latter are many and varied—from advertising the poll in the papers to giving into custody men charged with personation. He presides at the polling station and concerns himself with every little detail regarding the poll. On the day of the poll, which is a momentous day for him, he is at the polling station long before the fixed time, anxious to see if the directions to voters are posted outside and also inside each compartment. He has to concern himself even with little details like noting if each compartment contains a pencil or not; and seeing appointment cards of clerks and agents, and whether they have or have not made a declaration of secrecy. The most arduous task before him, and one which involves great responsibility, is to see for himself that no malpractices creep into and vitiate the election; and assure the candidates that there is no reason for fear that the election is marred by corruption. For, before locking and sealing

\* Op. Cit., Ayangar's Law on Municipal Corporation, p. 58.

† The following provisions of the Calcutta Municipal Act (S. 27 of Bengal Act III. of 1923) are peculiar, and deserve to be carefully noted.

### *Elections.*

"On or before the date on which a candidate is nominated the candidate shall make in writing and sign a declaration appointing either himself or some other person who is not disqualified under section 32 for the appointment to be his election agent, and no candidate shall be deemed to be duly nominated unless such declaration has been made.

A candidate who has been duly nominated shall within three days of his nomination deposit with the Executive Officer two hundred and fifty rupees which shall be liable to forfeiture if he withdraws his candidature within seven days of the date fixed for the election or if he fails to secure at the election at least ten per cent of the votes cast. Failure to deposit the amount shall render the nomination void. Similarly, too, with regard to the appointment of election agents, no candidate is deemed to be duly nominated, unless such declaration about his election agents has been made." Sec. 28 of the Bombay Act containing provisions regarding nominations is absolutely silent with regard to such securities.

the ballot-box, he shows those present that it is empty so that there is no chance of fraud. Again, he ascertains whether each voter is or is not on the Register; marks the number of the voter on the counterfoil; stamps each ballot paper so that the official mark appears on both sides, marks the Register to denote that the voter has received a ballot paper; and in cases of doubt puts the question and oath to any person offering to vote. It so happens sometimes that for all the precautions taken, human cunning is more than a match for the cautiousness of the presiding officer, and cases of personation come to light. In such cases, when the presiding officer finds a person asking for the ballot paper after another has voted in his name, he gives him a "tendered ballot-paper," marks it on the back with the name and number of the voter, enters the same on the "tendered votes list", and puts it in a separate packet, not in the ballot-box. Lastly in the case of voters incapacitated by blindness or inability to read or any other causes, the presiding officer marks the ballot-paper for them, entering the reason for so marking the ballot-paper on "the list of votes marked by the presiding officer."

This summary of the duties of the presiding officer gives us a glimpse of the complex nature of an election. The most important feature of the election is voting by ballot, which, however, is dealt with in a later section.

### III.—Procedure after an Election.

We may next consider the proceedings and formalities to be observed by the Returning Officer even after the election. When all the voting papers have been brought to the Returning Officer, that authority has to count the votes and announce the results of the elections. He must receive the packets etc. from the Presiding Officer, give notice to the agents of the candidates to attend the counting, and, on the appointed day, and at the appointed place, count the votes in the manner prescribed, rejecting certain votes, marking these rejected votes as rejected, and adding "rejection objected to" wherever required. He must not open the packet of tendered ballot papers, marked copies of the register or counter-foil, but must verify the ballot-paper account, re-seal the ballot box, and declare elected the candidate or candidates who have had the majority of votes, making at the same time a return to the proper officer. The ballot papers etc. must be kept by him for the prescribed time. Where rival candidates have secured an equal number of votes, neither could be declared as elected unless provision is made for such an emergency in the statute. The provision in the latest Bombay Act (Sec. 23) (R), is instructive on this point:

"Where an equality of such votes is found to exist between any candidates, and the addition of a vote would entitle any of those candidates to be declared elected, the determination of the persons to whom such one additional vote shall be deemed to have been given shall be made by lot to be drawn in the presence of the Commissioner in such manner as he shall determine." \*

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\* In Madras the Commissioner draws lots in such cases.

In the absence of such an authority, lots cannot be drawn ; nor can the candidates by an agreement among themselves settle the question by lot or otherwise. Unless the statute specifically provides, as in the above instance, there must be a fresh election where the first one results in a tie. If a Commissioner or Councillor is elected for more than one ward or division, the law provides for the choice to be made and the period within which the choice should be made by the Councillor. No one can occupy more than one seat. In some cases it is provided that no candidate shall take his seat until he has taken an oath of allegiance. Section 38 of the Calcutta Municipal Act of 1923 provides that every person who is elected or appointed to be a Councillor, or elected an Alderman, shall, before taking his seat, make, at a meeting of the Corporation, an oath or affirmation of his allegiance to the Crown in the prescribed form.

#### IV.—Some Important Incidents at an Election.

Important Incidents.

This completes the process of election. We must notice at this stage some important features or incidents affecting the process of election. These are :

- (a) Election Expenses,
- (b) Election Offences including the so-called corrupt practices,
- (c) Election Petitions,
- (d) Voting by Proxy and Plural Voting wherever they exist, and
- (e) Voting by Ballot.

Election Expenses.

(a) Election Expenses :—As regards election expenses, English Law requires the candidates for a Municipal election to make a return of the expenses they had incurred in the course and for the purpose of the election. The object and principle of such provision is to avoid the possibility of corruption by undue and extravagant expenditure incurred by a candidate or his agent, in connection with undesirable practices likely to influence the result of the election. The principle is adopted in India as far as elections to the Legislative bodies, central and provincial, are concerned ; but Calcutta, perhaps, is unique in requiring a return of the Municipal election expenditure incurred by the candidates, within one month of the election.\* We may consider the absence of corresponding provisions in the other Municipal legislation as indicating the absence of that active interest in Municipal elections which would demand a meticulous regulation of the expenses permissible to be incurred at such elections. The fact however, that in cities of long distances or large number of voters, where candidates may have to provide conveyances to voters for transport to the

\* (Section 34 and 35 of the Bengal Act 3rd of 1923, the Calcutta Municipal Act.) Schedule V to the Act prescribes very carefully the headings of expenditure that may be considered reasonable in this regard.

voting booths, and incur a very heavy postage bill for addressing circulars &c., makes a strong argument for fixing statutorily some maximum of expenditure legitimately incurable for the purposes of the election. Otherwise richer candidates will have, as they do now have, a heavy pull over the poorer ones. Riches alone will count and merit disregarded altogether. A still better way, however, would be to provide numerous voting booths, and free municipal conveyances to intending voters, together with a rigorous limit on Election Expenses.

(b) Amongst the **election offences**, the most important that we need notice are :—(1) Bribery, (2) Treating, (3) Undue Influence, (4) Personation, and (5) Publication of False Statements. The election of any candidate as Councillor would be declared void, if, by himself or his agents, he is found guilty of any corrupt or illegal practices. The central principle that dominates all such regulations is that the **election must be free**. It must be a record of the honest, unbiassed opinion of the electors. Hence any vote recorded by the promise of a special gratification must necessarily be considered as violating the general principle of election.

As regards **Bribery**, the greatest difficulty in deciding specific allegations on the matter arises from the possibility of common confusion between charity and bribery. Where charity ends and bribery begins, it is exceedingly difficult to say. Candidates for the favour of the public, whether in Municipal or National elections, must regularly seek to please their constituents. They must “nurse” the constituency, as the phrase goes; and to that end they must freely and frequently subscribe to public charities within their constituencies, and also help individuals out of their difficulties; so, however, that no undue aid of a corrupt nature could be established. Since the real offence in corrupt practices at election consists in a corrupt inducement to the voter to cast his vote or refrain from so doing for any particular person, the above mentioned subscriptions and assistance may quite easily be confused with the undesirable practice of bribery. It is safe to say, however, that the gravamen of the charge of bribery will depend largely upon whether a particular act was done with the intention to bribe. The Indian Penal Code Section 171 (B), inserted by India Act XXXIX of 1920, defines bribery and penalises persons guilty of the same. It makes bribery coincident with the receipt of personal gratification in consideration of exercising the right to vote in a particular manner, and distinguishes it from any declaration of public policy to gratify a particular group or party of electors. The gratification, it may be added, need not consist actually in money. Nor is the amount of the bribe material to the constitution of the offence, though the smallness of the amount may suggest the absence of any corrupt intention. Finally, the offence would be practically the same, where the acts alleged to constitute the offence are committed by the candidates themselves or by their agents.

**Treating.**

- (b) "Treating is defined by the Act of 1920 as that form of bribery, where the gratification consists in food, drink or provision, and makes the offence punishable with fine only."

Treating, however, is not the same as bribery. While in the latter, there is a corrupt contract between a voter and the candidate for the purchase of the vote, the former involves no such contract. It is, besides, often indistinguishable from simple hospitality. As in the case of bribery, so here, also, corrupt intention is indispensable for the establishment of offence. Whether or not the treating was corrupt is a question of fact. In a manner of speaking, treating would be even more objectionable than common bribery, because of the likelihood of its impressing and thereby debauching a considerable number of voters; whereas ordinary bribery is only concerned with individuals. It may also be added that a resort to this kind of bribery will be beyond the means of any but the richest candidate.

**Undue Influence.**

- (c) **Undue influence** consists in the exercise of any violence or threat of damage, or a resort to any fraudulent contrivance, whereby the liberty of a voter to vote as he chooses is restricted; and he is compelled or frightened in consequence to vote or refrain from voting otherwise than he himself chooses. Section 171 (C) & (F) of the Indian Penal Code defines and punishes the offence of undue influence as applied to India. It is interesting to note that the definition includes:

"Attempts to induce a candidate or voter to believe that he or any person in whom he is interested will become or will be rendered an object to divine displeasure, or spiritual censure."

The declaration of a public policy and a promise of public action are the mere exercise of a legal right without a legal bargain. These cannot be considered to be sufficient undue interference as to render an election void. The disqualification arises from the **abuse** of influence and not from its proper, legitimate use. And the threat of rioting or violence must come from or be instigated by the member or his agents for whom he is responsible.

**Personation.**

- (d) As to **personation**, the offence consists in applying for a voting paper in the name of some other persons, whether real or fictitious; or, having voted once, in applying again for a ballot paper in one's own name. If the candidate or his agent has instigated such a personation, his election would be *avoided*. In India, Section 171 (D) inserted in the Penal Code by India Act XXXIX. of 1920 defines the offence of personation, and lays down its penalty. General personation, unconnected with a candidate, does not, like general bribery or general undue influence, invalidate an election. Only, the wrongfully obtained vote is struck off. The fact that the personation was innocent does not stop invalidating the vote. Unless there is corruption and a bad intention in personating, it is not an offence.

(e) **Publication of false statements** with intent to affect the result of an election is an offence punishable under section 171 (C) of the Indian Penal Code amended by India Act XXXIX of 1920. False State-  
ments.

Under the amending Act of 1920 concerning election offences, certain disabilities are laid down against any person convicted under Section 171 (E) and (F) of the Indian Penal Code. Such an offender is disqualified from exercising any electoral right for a period of not less than five years, on account of his corrupt practices. Conviction.

We must distinguish illegal practices from the election offences defined above. As regards the former, the Legislature has intended definitely to prevent those practices, regardless as to whether they were honest or dishonest. Thus the payment of an illegal gratification or the promise of personal profit is definitely prohibited by law; and having recourse to the same would be an illegal practice and would avoid an election. Illegal Prac-  
tices vs. Elec-  
tion Offences.

### (C) Election Petitions.

In the event of any election being challenged, provision is generally made for the decision of the dispute in specifically appointed tribunals. The procedure for challenging an election is by a petition to a proper tribunal. In every election petition, the dispute, though nominally between two or several rival candidates, really involves the whole constituency; and puts it upon its trial, in a manner of speaking. Almost any ground can be put forward to dispute the election. Where specific election tribunals are appointed, their findings must be regarded as final, and the decision cannot be reopened. In India, election disputes coming before Courts of Law are regarded in the nature of civil suits; and, unless they are made submissible to a special tribunal by a specific Act of the Legislature, or by rules made thereunder, such disputes go to the ordinary civil courts. Where, however, there are special tribunals specifically set up by given Acts of the Legislature, the jurisdiction of these tribunals would be exclusive. These special tribunals, it may be added, will have jurisdiction only if all the formalities prescribed by the statute are complied with. But where, however, these special tribunals refuse jurisdiction, and the aggrieved party is deprived of his statutory and constitutional remedy, the Civil Court may step in as court of equity to exercise jurisdiction which the proper tribunal has failed to exercise. Petitions.

An election petition can be presented, under the Indian Election Rules, by any candidate or even by an elector. An unsuccessful candidate petitioning for a revision of the election can point a claim against all the successful candidates, praying that all or any of them may be unseated. Conversely, although the ground of the petition may affect the validity of the election as a whole, the petition may be presented against some only of the persons elected, and not all; and the court in such a case may declare the persons so petitioned against as not having been elected.

## (D) Voting by Proxy and Plural Voting.

Voting by  
Proxy.

Voting by proxy is against the intention of the general principle of democratic elections, and is as such ordinarily prohibited; but, as already observed, under the Bombay Act of 1922, voting by proxy is permitted in the case of companies other than joint stock companies or firms. Even in this case, however, the provision is under revision, so that voting by proxy may be avoided in future. The practice is objectionable, because it renders it likely that the real record of the desire of particular voters may not be shown in their vote, if the same is given by proxy, and because on the excuse of having properly signed Proxy forms, an undesirable excess creeps into the very easily conceivable expenses for an election. Besides, the practice, if widely permitted, may lead to any number of undesirable practices which would make the election fail to record the real intentions and opinion of the voters.

Plural  
Voting.

As regards plural voting, the principle of "one man one vote" has not yet been adopted fully in all instances. A person who is registered as a voter in one ward, or a division of a city, may also be qualified as a voter in another ward: in one place as a resident, in another in connection with his business or occupation, or some representative capacity. Under the older laws, now replaced in many cases, the plurality in voting strength was very much greater than at the present time. Thus, for example, at the 7th General Election of Ward Commissioners held on the 21st March 1921 in Calcutta, out of 49,060 voters, who, amongst them, had 124,271 votes, only about 30% of the votes were recorded in the contested wards. Plural voting however, in the sense of the voter being allowed as many votes as there are seats, obtains still in a number of cases, with Bombay leading, wherever the principle of cumulative vote is adopted. If the voter is free to give all his votes to one candidate or to spread among a number of candidates, that practice is claimed by many to be a distinct advantage.\* Between the rival principles of "one man one vote" and "one vote one value" it is sometimes difficult to choose. So long as the electoral laws lay down only qualifying conditions, and base these conditions upon the possession of property or some other indication of wealth, it would be impossible to avoid attaching a value to each vote; and in proportion as the indications of wealth multiply in the same individuals, it may be quite possible for that individual to increase his voting strength. Such a provision, however, would give an undue importance to a few wealthy individuals; and consequently the rival principle of "one man one vote" is coming more and more into favour with progressive democracies. But until the principle of universal or at least Adult Suffrage is accepted, the multiplicity of votes in the same individuals will crop up in some form or other by a distribution of qualifications sufficient to give more

\* Foot-note cp. Table, p. 31 ante.

than one vote in different districts, if not in different capacities. And of course the division of voting strength between members of the same family—particularly husbands and wives—will be equally difficult to avoid.

### (E) The Ballot System.

"One of the most important features of election is the Ballot system, a system of voting extensively employed by most of the progressive democracies of the world. In its present form, as used in England, America and Europe, the ballot is of Australian origin. Concrete expression was given to it for the first time in England in the Ballot Act of 1872 and the machinery of that Act has been applied both to the Parliamentary and to the Municipal elections. Under that Act, nomination is a necessary condition precedent to the holding and conduct of an election. This is justified on the ground that it facilitates the participation of the people in the government of their cities, though its democratic character is often vitiated by conferences and conventions in which the final selection is really made by a small coterie of political leaders. In England, though the system of nomination is employed, the English Act gives no recognition whatsoever to political parties. In America, on the other hand, when the principle of the ballot was adopted political parties that had cast a certain percentage of the votes were given recognition. In India, we follow the English rather than the American system, though party feeling has recently come to have more than a passing influence on municipal politics.

The principle of election or voting by ballot has been most tersely stated in the Calcutta Municipal Act of 1923, section 29 of which says :

"Votes shall be given by ballot and in person. No votes shall be received by proxy."\*

The Bombay section 28, Clause (N) is a little ambiguous. It says :

"The name of the person, or of every person for whom a voter votes, and all other details prescribed by the form of the voting paper, shall be written legibly, in English, in the voting paper, and the voter shall sign or attach his mark to the voting paper, in the presence of the polling officer, and the said officer, shall attest each such signature or mark and shall attach consecutive numbers to each of the voting papers presented to him."

This is clearly against the central principle of the ballot; but its advocates hold that the object of this provision in Bombay is not to defeat the central

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\* We may notice here the radical differences in the statutory provisions affecting elections and voting between Calcutta and Bombay. Sec. 29 Clause (4) of the Calcutta Act lays down in plural Councillor constituencies "every elector shall have as many votes as there are councillors to be elected, but no elector shall give more than one vote to any candidate." In Bombay, plural cumulative voting is the rule. Calcutta permits no proxy in voting, while Bombay allows firms and companies this privilege as an unavoidable concession to their nature and constitution,



purpose of voting by ballot, its complete secrecy and consequent security to voters; but rather to provide a means of identification of voters, and facilitate the voting in an election conducted on the principle of cumulative voting. The object of voting by ballot is to secure an election free from the invalidating or vitiating practices, or incidents of intimidation, or undue influence of any kind, which, as we shall see later on, would render an election void. The secrecy, characteristic of voting by ballot, is intended as a guarantee to the voter against his interests—apart from the election—being in any way hurt by parties interested in the election.

“When all knowledge of how he voted is the voter’s own secret, unless he chooses to divulge it, he is fully protected and a free and honest vote may be secured.”

To secure this complete secrecy, and prevent subsequent identification as to which voter’s vote was cast for a particular candidate, the statute insists that the ballot paper shall not be marked in any way by the voter. While voting by ballot in secrecy is almost the universal characteristic of all elections for members of the Legislative bodies, the voting on particular policies and measures by members of such bodies, when duly appointed or elected and assembled, is *viva voce*. The object of this distinction is, presumably, to bring home to the elected members their responsibility to their electors by a publication of their votes on particular measures or policies coming before these bodies.

American  
Practice.

A later variation of the Ballot system in America is to be found in what is known as the Direct Primary. This is an attempt to dispense with party conferences or conventions for the purpose of nomination, and to allow members of the party to nominate for office directly. These direct primaries are either closed or open. In the former, nominations of a party can only be secured by regular members of that party, the membership being determined in a variety of ways. At the primary, the voter is presented with a ballot containing the names of the candidates of his party only. In the open primary, on the other hand, he gets a ballot containing the names of the candidates of all the parties; and the voter is free to participate in the nomination of any party. The voting is secret, and the primary for all purposes is conducted in the same manner as an election. The most considerable defect of this system of direct nomination is its liability of the votes being so scattered as to cause the nomination of a candidate, who has only a comparatively small minority of votes cast for him.

These attempts are all intended to secure as fully representative and responsible a Government in the city as may be possible. But there are inherent defects in the arrangement, which render such attempts often far from sufficient to secure the end in view. Ultimate reliance has, therefore, to be placed on some method of educating the civic public into understanding the problem of civic

administration and the responsibility of elections. Civic parties may, no doubt, help in this process of education ; but parties are necessarily obliged for the sake of their party solidarity and party discipline, to make compromises, to overlook individual defects or deficiencies, to wink at shortcomings and backslidings in the larger interests of the party, which may not at all be in harmony with the interests of the city as a whole. The better course would, therefore, be to emphasize not parties but principles, to seek by education and publicity to secure the nomination of such candidates, irrespective of their party affiliation or party allegiance, who will give their best to the administration of the city, and so promote the realisation of full self-government within the city.

This course though difficult and indirect, is nevertheless the only way to secure efficiency and responsibility in city administration. If we would have the test for eligibility to civic offices to consist in interest, intelligence and efficiency, with ability to see clearly where the public interests lie and with courage and independence enough to serve on the side of public interest against private or special interests, we must discard the inevitably injurious influence of the party system, in spite of its contribution of solidarity and discipline ; we must seek to develop that interest and understanding of civic affairs by the whole mass of the civic, or at least the voting, population, which alone can be the best guarantee of proper administration and government in the cities. We must encourage the growth of bodies like the Voters' League who, by their fearless criticism, have done so much towards reforms in Municipal Elections in America.

Unfortunately there is nothing yet corresponding to such activities in India. There is not even that degree of interest in civic affairs which alone would serve to invent such devices for securing a better and more efficient administration of civic affairs, as the statistics given at the end of this chapter would show. Perhaps an explanation of the want of sufficient interest in civic affairs in India may be found in the extreme constriction and restriction of the duties and functions assigned to the city and its government ; but within the powers already enjoyed by the most advanced Municipal Corporations in India, there is room, as we shall show in another connection in this volume, for such a development as would make irresistible the emergence of conditions and devices for a greater interest in the administration of the city.

#### V.—Some Comparative Statistics.

All this review about the mechanical provisions of lifeless statutes would be needless and burdensome, if we did not know anything about the extent to which use is made of the facilities provided by the statutes. The real living organism of a municipality will be found in the degree of active, intelligent interest taken by the primary beneficiaries of these organisations, the citizens.

As an illustration of the interest taken in Municipal affairs, the following extracts from the Administration Reports of the various Municipalities of India would be interesting:—

“133 meetings were held by the Corporation and 65 by the Standing Committee as against 111 and 54 held respectively in the preceding year. There were besides 154 meetings of Committees of the Corporation and 30 meetings of Sub-Committees of the Standing Committee as against 129 and 11 respectively in the previous year. The increased number of meetings held during the year of Report indicates what a great demand the civic affairs of the city made on the time of Councillors.” (Bombay 1923-24.)

The approximate number of voters who voted at the last General Elections in all the wards except the B Ward is as follows. No figures are available for the B Ward, as the election of that ward was not contested at the time of the General Elections.

Ward.	Number of Voters who voted.	Total No. of Voters.
A.	4512	8,204
C.	4469	11,942
D.	6827	18,544
E.	3685	17,252
F.	2488	9,718
G.	2707	16,132
		6,278

\* *Report of the Municipal Administration of Calcutta for the year 1921-22.* (Vol. 1.)  
Page 5, Para 3.

The Corporation held 50 meetings, or 8 more than in the previous year, the average attendance being 36. Of the 45 Commissioners who held office throughout the year, no fewer than 29 attended more than 75 per cent of the meetings.

*Corporation of Madras: Administration Report for 1922-23.*  
Pages 2 and 3. Para 1.

At the ordinary elections in 1922, 5 seats out of 10 were contested. The number of votes recorded at the contested elections viz, divisions 8, 10, 14, and 20, was 2404 (2045 males and 359 females) out of a total electorate of 3427 (2830 males and 597 females). In division 21, out of 1008 voters, 750 attended the poll. The percentage of voters who exercised the franchise at these elections was 71.11  
Page 3. Para 2.

On the annual revision of electoral rolls, it was found that the percentage of persons qualified to vote was 5.14 of the total population.

*Administration Report—Corporation of Madras 1922-23. Reviewed 4th Jan. 1924*

## Para 1.

## Constitution.

One casual election and ten ordinary elections were held during the year; 5 of the latter were *contested*, and 71 per cent of the number of voters took part in the elections. The lady councillor nominated last year continued in office. On the annual revision of the electoral roll in 1922-23 it was found that the percentage of persons qualified to vote was 5.14 of the total population. The Act has now been amended so as to enable women to stand for election.

Page 4. Para 29.

41 meetings were held: 20 adjourned meetings. The average percentage of members attending the meetings of the council was 77.8 among elected divisional councillors, 28.6 among institutional councillors, and 42.2 among councillors appointed by Government. The Government await the Commissioner's Report called for in the last year's review in regard to the impediments in the way of and the amendments necessary to facilitate the working of the administrative machine.

*Administration Report of the Karachi municipality for the year 1922-23. Page 1.*

No. of Councillors.	No. of Members of the Managing Committee.	General Ordinary	Meetings Special.	Meetings of Managing Committee.
54	9	13	73	74

*Average attendance at meetings.*

Ordinary General	Special General.	Managing Committee.	Number of Councillors who failed to attend two-thirds of the General Meetings (held during the term of their office.)
35.26	30.82	6.75	39.

*Number of members of Committee.*

Nominated.	Elected.	Total.	Offi- cials.	Non-offi cials.	Euro- peans.	Indians	Total number of meetings held.
6	48	54	6	48	9	45	86

## CHAPTER VIII.

### POWERS OF A MUNICIPALITY.

#### I.—Powers dependent on Functions.

No complete view of the powers of the Municipalities in India can be had until we have analysed the functions of Municipalities in the next book. Here we can only summarise the statutory position as revealed by the several governing acts.

#### II.—Statutory Authorities.

Several authorities.

Before, however, we begin to outline the powers of the Indian municipalities, let us ascertain the authorities which are charged by law to exercise these powers. Not all the powers of a municipal corporation are embodied or concentrated in the same single authority, even in the supreme Municipal Council. The Law-making authority seems to have been peculiarly jealous in India of the Municipal bodies; and so it has in many instances clearly laid down several distinct, almost co-ordinate, and largely independent authorities functioning in a municipal organisation. The existence of such mutually exclusive authorities, which unavoidably tend to be jealous of one another, makes a large demand on the personal equation that must involve, on occasions, a serious waste of energy. In Bombay, for example, the Municipal Act declares that, "the Municipal authorities charged with the execution of this Act are :—(A) a corporation; (B) a standing committee, (C) a Municipal Commissioner." (S. 4. of The Bombay Municipal Act). In Madras the corresponding section uses almost identical language, except that it speaks of the Standing Committees in the plural. It is difficult to grasp precisely the niceties of legal draftsmanship, which speaks of "a corporation" and "a council" when by the very nature of the case there can only be one such body. But the point of the utmost importance to note here is that these are all made distinct statutory authorities; and that thereby is generated an occasion for friction which cannot but prove embarrassing or wasteful at times.\*

\* In the case of Calcutta, there is no such clear definite enunciation of the authorities charged to carry out the provisions of the Act; but the machinery is more or less similar, and so we would be needlessly creating a misapprehension if we held that the absence of a definite enunciation of the statutory authorities evinces a different purpose or view-point in the framers of the Calcutta Act. It must be recognised, however, that since the Chief Executive Officer is appointed in Calcutta by the Municipal Corporation, and not by the Local Government, which still appoints the Municipal Commissioner in the case of Bombay and Madras, that fact does indicate a measure of difference which is not quite borne out by the rest of the statutes concerned.

### III.—The Powers of the Commissioner.

Let us consider, briefly, the several powers of each of these authorities. Limits of  
Executive  
Authority of  
Commissioner  
Beginning with the least considerable in theory,—though possibly the most important in practice,—we find the powers of the Commissioner thus tersely defined in the act relating to the city of Madras :—

“Subject, whenever it is hereinafter expressly directed, to the sanction of the Council or the Standing Committee as the case may be, and subject to all other restrictions, limitations and conditions hereinafter imposed, the executive power for the purposes of carrying out the provisions of this Act shall be vested in the Commissioner, who shall also perform all the duties and exercise all the powers specifically imposed or conferred on him.” (S. 9)

The list of the specific powers conferred on the Commissioner both in Madras and in Bombay would be as formidable to reproduce here as it would be unnecessary. Suffice it to note, however, that the Commissioner is given a liberal, almost handsome, measure of specific functions in connection with the safeguarding of the public health of the city and other functions of primary importance in the municipal organisation, which make his position entirely *sui juris* in that organisation. He is a servant who is, by the law of his being, made more powerful than the master he is supposed to serve. He has also a large measure of discretionary and extraordinary authority, which he is entitled to use in sudden emergency, whenever the service or safety of the public demands that exercise, while he has an equally ample margin for the delegation of his authority, with certain unavoidable reservations. In Madras as well as in Bombay, he has power to make appointments under a certain limit,—in Madras he makes all appointments carrying a monthly salary of Rs. 500 or less, provided the same has been sanctioned by the Governor in Council (Cp. S. 90 of the Madras Municipal Act),—in Bombay he has still larger powers for temporary appointments under loan works, power which in a recent case has led to considerable acrimony in the corporation debates,—and in both cases he is the authority to enter into contracts on behalf of the municipality.\* This last is subject to considerable

of the Municipality, which involves an expenditure of Rs. 5,000, while in Madras, the corresponding power seems to extend to Rs. 10,000.\*

Position in  
Calcutta, Bom-  
bay, and Mad-  
ras.

But while the Commissioner has all these wide powers, and discretion, it is nevertheless, in our opinion, not strictly accurate to say he is the supreme executive authority in the municipal organisation, even though so described by law. The Chief Executive Officer in Calcutta is as much a servant of the Corporation as the Municipal Commissioner in Bombay or Madras. If by executive authority we mean an authority which is entitled not merely to a measure of discretion and initiative,—the Commissioner certainly has been accorded considerable discretion and has wide powers of initiative in emergency,—but is also entitled to advise and guide the larger body of which it is the executive authority, then the real executive authority must not be deemed to lie with the Commissioner or the executive officer in the Indian presidency municipalities. Where precisely that authority lies may be a bit difficult to decide; in Bombay it would be more accurate to say that the executive authority in municipal affairs lies with the single Standing Committee, which is entrusted with the general conduct and supervision of the municipal work in its totality. But certainly the Commissioner is the chief mandatory of the corporation, not its chief executive.

#### IV.—Powers of the Standing Committee.

The real Executive.

Next in the scale of Municipal authorities comes the Standing Committee. The powers of this body are by no means so carefully defined as those of the Commissioner, though, in Bombay at least, the Commissioner is made clearly answerable in many cases to the Standing Committee. But the Standing Committee in Bombay is, perhaps, in some measure, a unique device; for though there are many other committees of the corporation even in Bombay, none of these approaches the Standing Committee in importance in the administration of the municipal affairs. The schedule of appointments under the corporation, for example, has to be submitted by the Commissioner to the Standing Committee including municipal officers and servants of all grades; and it is also the authority for sanctioning the schedule, subject to the limiting consideration that every new appointment carrying a salary of Rs. 500 and more per month, whether temporary or permanent, must be made by the Corporation. The Standing Committee also frames all regulations regarding the leave &c. and allowances of the municipal officers

\* See Bombay Municipal Act S. 69, and the Madras Municipal Act, S. 78. The Municipal Commissioner has necessarily a discretion in such matters as advertising in particular papers for inviting tenders, and the question as to in which papers the advertisement shall be inserted is beginning to cause serious divergence between the Commissioner and the Corporation in cities like Bombay.

The power of the Commissioner to enter into contracts below a certain figure gives him a most dangerous opportunity to thwart the Corporation, since he can, if he so chooses, easily subdivide a large contract so that each part is well within his powers even though the total is not. To avoid this, it would be best to require that all contracts must be specifically confirmed or sanctioned by the Corporation, as in Calcutta (S. 67.)

and servants, subject to confirmation by the corporation, except with regard to the regulations governing superannuation allowances of municipal servants, which must be approved by the Government. In regard to the day to day administration, though the statute has not in Bombay laid down expressly the powers of the Standing Committee, by delegation or reference from the corporation, the Standing Committee habitually enjoys and exercises a vast amount of power unknown in the sister corporations to such smaller bodies. In Madras, Section 20 of the Act says:—

- (1) The council shall by regulations framed for the purpose determine the powers and duties of each standing committee and may by such regulations provide for a conference of two or more standing committees or for the appointment out of such committees of a joint committee for any purpose in respect of which they may be jointly interested. Powers of the Standing Committees in Madras.
- (2) The "Taxation and Finance" standing committee in addition to the powers and duties assigned to it under such regulations
  - (a). shall supervise the utilisation of the budget grants.
  - (b) shall have access to the accounts of the corporation and may require the commissioner to furnish any explanation which it considers necessary as to the receipts and expenditure of the municipal fund.
  - (c) may conduct a monthly audit of the municipal accounts and shall be bound to check the monthly abstract of receipts and disbursements for the preceding month as furnished by the Commissioner; and
  - (d) may write off such sums due to the corporation as appear to the committee to be irrevocable.

In Bombay, the Standing Committee prepares the Budget estimates for consideration and adoption by the corporation, and has power to reduce any budget grant made by the corporation and to reappropriate funds voted by the corporation, subject to the limitation that the aggregate of expenditure sanctioned by the corporation must not be increased by any act of the Standing Committee. That body can also recommend an increase in, or an additional budget grant, as an increase in taxation, if, in spite of reductions in the expenditure, it is unable to bring the revenue to keep pace with the expenditure. The Standing Committee must also conduct or superintend a weekly audit of the municipal accounts, and publish an abstract of the receipts and disbursements of the week last preceding.

In Bombay.

These statutory or customary powers of the standing committee in Bombay makes of it a unique institution as already observed, and it is no exaggeration to say that the executive duties proper are under the Bombay Municipal Act assigned to this committee. The supervision of the corporation is if anything easier, and the sense of responsibility as well as sympathy and understanding, greater in this arrangement than in that prevailing in the sister municipalities.



## V.—The Powers of the Corporation.

Obligatory  
Duties and Op-  
tional.

Subject to the general consideration that the powers specifically assigned by law to specially named statutory authorities cannot be interfered with, the general administration of the municipal affairs is vested in the municipal council or corporation,\* and the standing committees and the Commissioner are quite clearly made subordinate authorities who must respect in every case the wishes of the corporation, as evidenced in any resolution passed by that body on any subject.

The powers of a Municipal Corporation may be instanced from those described at some length in the Bombay Municipal Act Section 61. There are some duties which are compulsory, and the Corporation cannot fail in them without exposing itself to the exercise of measures of control by the Provincial Government. Among those obligatory duties are :—

- (a) the construction, maintenance and cleansing of drains and drainage works, and of public latrines, urinals and similar conveniences ;
- (b) the construction and maintenance of works and means for providing a supply of water for public and private purposes ;
- (c) scavenging and the removal and disposal of excrementitious and other filthy matter, and all ashes, refuse and rubbish ;
- (d) the reclamation of unhealthy localities, the removal of noxious vegetation and generally the abatement of all nuisances ;
- (e) the regulation of places for the disposal of the dead and the provision of new places for the said purpose ;
- (f) the registration of births and deaths ;
- (a) (ff) public vaccination in accordance with the provisions of the Bombay Vaccination Act, 1877.
- (g) measures for preventing and checking the spread of dangerous diseases ;
- (a) (gg) establishing and maintaining public hospitals and dispensaries and carrying out other measures necessary for public medical relief ;
- (h) the construction and maintenance of public markets and slaughter-houses and the regulation of all markets and and slaughter-houses ;
- (j) the regulation of offensive and dangerous trades ;

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\* See Section 64 (2) of Bombay Municipal Act, and S. 23 of Madras.

- (k) the entertainment of a fire-brigade and the protection of life and property in the case of fire ;
- (l) the securing or removal of dangerous buildings and places ;
- (m) the construction, maintenance, alteration and improvement of public streets, bridges, culverts, causeways and the like ;
- (n) the lighting, watering and cleansing of public streets :
- (o) the removal of obstructions and projections in or upon streets, bridges and other public places ;
- (p) the naming of streets and the numbering of premises ;
- (q) maintaining, aiding and suitably accommodating schools for primary education subject always to the grant of building grants by Government in accordance with the Government Grant-in-aid Code for the time being in force ;
- (r) the maintenance of a municipal office and all public monuments and other property vesting in the corporation.

There are certain institutions in Bombay which are maintained by the Local Government and towards the maintenance of which the corporation will make certain financial provisions. On the other hand, there are hospitals and dispensaries maintained exclusively by the Corporation which may charge such fees as it may prescribe from time to time.

In regard to primary education the Corporation is obliged to undertake its share of the possibility for the introduction of a compulsory and free system of primary education, if the Government decide to do so. Primary schools maintained by grants paid to the municipal fund must be open to Government inspection : and the recommendation made by such inspecting officers shall be duly attended to.

Besides these compulsory duties, there are certain others which are wholly or partly discretionary duties; and amongst these the most important are :—

- (a) The corporation may, in their discretion, provide from time to time, either wholly or partly, for all or any of the following matters, namely :—
- (b) educational objects other than those set forth in clause (q) of section 61;
- (c) constructing, maintaining or aiding libraries, museums and art galleries ;
- (d) constructing or maintaining public parks and gardens and botanical and zoological collections ;

- (e) planting and maintaining trees on the road side and elsewhere ;
- (f) surveys of buildings or lands ;
- (g) registration of marriages ;
- (h) taking of a census ;
- (j) preparation and presentation of addresses to persons of distinction
- (b) (jj) provision of music for the people.

#### VI.—Possibility of Extension and Expansion.

Restricted  
scope.

The Bombay Municipal Corporation discharges all these obligatory functions as also almost all of the discretionary duties assigned to it. But in comparison to the more advanced and enterprising municipalities of Western countries, we can scarcely say that the municipality of Bombay does all that it well might do ; or that it does even that which is specifically assigned or undertaken precisely to the extent that other municipalities of its size and wealth might do. There is a great room for expansion in the powers of the municipality, as there is an immense necessity for an extension in its functions. We shall see in the next book what functions are ordinarily discharged by the more advanced and ambitious municipalities in the West, and point out at the same time how the Indian Municipality may advantageously copy these models of the West. Here, however, it is necessary to emphasise that the satisfactory discharge by a municipality of the functions assigned to it or undertaken by it depends very intimately upon the powers enjoyed by it. Within the existing powers of the Indian Municipality, there may indeed, be considerable room for the expansion of the functions that are now habitually discharged by a corporation ; and there is, of course, no limit to the improvement in efficiency of the duties already discharged by a municipal council. Thus, for example, almost all the presidency towns and other important municipalities, have the right to acquire property, usually "for the purposes of the act"; but that phrase is vague enough to permit any acquisition within as well as without the municipal limits on the ground of providing recreation fields for the citizens.\* Similarly in regard to the provision of educational or sanitary facilities for the citizens, powers and obligations which have been expressly assigned to the municipal body do not, and should not in our opinion, exclude the powers which are either incidental to or closely connected with such functions. What is not specifically assigned is not, we submit, excluded or denied by implication.

Need for Ex-  
pansion of Po-  
wers.

But even supposing that the powers now enjoyed by the leading municipalities of India, not to mention the others of a second-rate importance, are insufficient to enable these bodies to discharge all functions that may reasonably be claimed

\* The Municipality of Bombay is reclaiming a large tract of land outside the city limits by means of dumping the refuse from the city. From the portion already reclaimed the municipality is obtaining a considerable income, as the land is rented out for cultivation.

by them, it merely becomes a case for the wholesale revision of the municipal legislation in India, with a view to grant more extensive powers to these bodies. The Progress of municipalities in this country has hitherto been considered to consist in an extension of the popular element, of the democratic principle, as regards the constitution of the body and the appointment of its authorities. We do not suggest that this was not a necessary and indispensable progress. All we need point out is that the most liberal constitution, as far as the composition of the municipal council or its subordinate authorities is concerned, would be dissatisfactory, if the powers assigned to the body are inadequate to its ambitions. Hence, in our opinion, the next stage of advance in municipal legislation in India will be in the direction of amplifying the powers of the municipal council. A change, indeed, is urgently necessary, not so much in the letter of the law as it now stands, but in the spirit which has inspired the law. The municipal authority has too long been viewed, if not with distrust, at least with diffidence, which is now entirely out of place. There is no need to insist upon the official leading strings for the municipal activities; and their extension conformable to the resources of the municipalities (which themselves will have to be considerably amplified) must be sedulously encouraged and promoted.

And in this regard we should like to make a suggestion for the more satisfactory working of the municipal machine. The extension of the powers and functions, the resources and responsibilities of the municipality cannot dispense with the distribution if not the division of authority within the municipal body. In order that these several authorities should function mutually without conflict, it would be advisable to resort, we think, to the device of an executive committee for each department of the municipal business, presided over by the head of that department. This head of the municipal department need not be present at the deliberations of the committee merely in the capacity of expert adviser. He must be made a full member of that body, so that the principle of the municipal cabinet we have elsewhere developed could be made more effective. It would be immaterial whether or not such a departmental head, who is also a member of the municipal council, and therefore of its executive committee is paid from the municipal funds. There are about equal advantages and disadvantages of the system of payments, but the point is immaterial when the principle of collective responsibility of the executive to the municipal legislative and the municipal sovereign is enforced in the municipal government. Constituted in this manner, the executive committee will become something more powerful and much better informed than the present standing committees, even including the Bombay brand of that institution. At the same time it may quite possibly happen that a new type of a standing committee would develop out of the heads of municipal departments, which, because it is extra-statutory, will not be the less important.

Device of the  
Executive Com-  
mittee.

## VII.—Municipality and the Government.

Control of  
Government.

In considering the powers of the municipality, it might be as well to consider also the powers of the local Government. We have discussed in a separate chapter the relations of the local provincial Governments in India with the Municipal Corporations within their jurisdiction. Here we need only remark that except in the case of the most advanced municipalities, the Local Governments have various, more or less effective, powers of control, supervision and the direction of the municipalities within their jurisdiction. They appoint their executive officers as well as other important officers; prescribe the rules and conditions of their service; lay down the scale of their emoluments. They have a large reserve of powers in emergencies; and in case a municipality should prove unwilling or incompetent for a particular task, it may be carried out by the Local Government over the heads of the municipality. They have definitely limited, by the constituent acts, the borrowing powers of the municipality, and keep under strict supervision all the activities paid for from borrowed funds.

Rationale of  
Government  
Control.

But all these powers seem to us to be the outcome rather of distrust than of a conviction that it is only by developing to the utmost the local governing institutions that the truest and the fullest self-government can be developed. Provincial Governments have no doubt an important role to play vis-a-vis the municipal bodies in a federal state like India. But that role truly lies in fostering and encouraging the growth and development of these institutions rather than in endeavouring to keep them under. To some extent, and as trustees of the general interest, which perhaps the provincial Government may claim to understand better than the municipalities, the former may be entitled to a measure of controlling authority, which is intended to bring about a simultaneous and sympathetic development of all municipal institutions. But this controlling power must never be used to bring about a restriction or suppression of one municipality for the benefit of others, or of municipalities generally for the benefit of the other local self-governing institutions. Similarly, the loan of experienced or expert officers may quite legitimately be made by Government to municipal bodies; but the officers thus lent cannot be placed in a position where they would become the masters or dictators of the municipality. We cannot approve at all of the statutory position given to the Municipal Commissioner in Bombay or Madras, as it tends to make that officer virtually a master of the municipal council. Finally, even as regards the limitations on the borrowing powers and the general contracting ability of the Municipality, the Local Government must either forego these limitations altogether, or operate them so as to foster and promote to the utmost the habits of self-reliance and enterprise in the municipality.

It is only when the relations between the Local Government and the Municipalities are conducted on these lines, and in such a spirit, can we hope to see the real development on the most beneficent lines of these institutions.

## CHAPTER IX.

### MUNICIPALITIES AT WORK.

#### 1.—Division between Executive and Legislative Authorities.

As already observed in a preceding chapter, the division between the Legislative and the Executive authorities in a Municipal organisation is a necessity which is observed with varying degrees of intensity in different countries. In European countries and in America the Municipal Executive enjoys a varying degree of separation and distinction from the Municipal Legislative. The Mayor, the Sindaco, and the Burgo-master are Executive authorities which have their own separate existence and powers to distinguish them from the Municipal Legislative. In England, the separation is hardly more than nominal, the Mayor being little better than a presiding officer. The separation of powers is carried perhaps farthest in practice in Germany, where an Executive Council or Board is associated with the Mayor to discharge the executive functions of the Municipality. But while in France and Italy the Mayor who is himself the executive authority has no influence over the legislative functions of the Municipal Council, in Germany and the United States the Executive, whether represented by the mayor alone or by a Board, has a veto over all acts of the council, and (particularly in Prussia) the principal member of the Executive, namely the Burgomaster, is given power to veto the actions of the Executive Board itself, though the veto may be reversed on appeal to a higher state authority. The same practice is observed in the United States of America, with this difference that the veto may be reversed, if at all, by an extraordinary majority.

The separation of powers between the Executive and the Legislative will depend, to some extent, upon the source from which each of these authorities derives its power. If the Executive is itself a creature of the Legislative body, then, however considerable its actual powers may be, it will—in the last instance—be amenable to the superior authority of the Legislative body; and as such be of secondary importance in the scheme of the Municipal organisation. In England, France, and Italy, the Chief Executive officer or authority, viz. the mayor or the Commissioner, is elected by the Council from amongst the Council members. As such, the Commissioner is necessarily subordinate to the council. Though, as it happens in France and Italy, the infrequency of the meetings of the Council, coupled with the continuous discharge of his duties by the Commissioner, makes the latter indirectly and in practice a great force; directly and by law he has no over-riding powers or legal influence

over the council. In the United States, on the other hand, such Executive authority is elected by the city population. In Germany, the election of the Burgomaster is, subject to the approval of the Central Government, the council's choice, as also in the case of the professional members of the Executive Board.\*

Further, the members of the Executive in Germany serve for very long terms, and are removable during their term of office only for specific cause shown.†

"This enables them to specialise and study more fully the problems of municipal administration, which the relatively short period of office of the supreme Executive in England, Italy or even France prevents them from acquiring. This also serves to instil a greater confidence in the municipal councillors as to the fitness and efficiency of the Executive, and so render the nominal separation of authority virtually innocuous. At the same time this practice prevents any serious conflict between them."

Real Executive authority.

We must observe, in passing, that the chief executive authority is not always the entire Executive. Even where the supreme executive authority is vested in a single officer entrusted with powers of veto or of initiation, the body of Municipal servants of all ranks and conditions may be considered distinct from the Executive authority, on the ground that they form the administrative machinery for giving effect to Executive decisions or policies. But even where the Executive consists of more than one officer, there may be, and usually are, several other officers with general or technical qualifications necessary for the several departments of Municipal work. The degree of separation of powers and authority between the Executive and Legislative bodies in the Municipality will depend, to a large extent, upon the relation of the chief Executive authority to those departmental heads, and of both again to the Municipal council. While in England the Municipal council—and not the Mayor—has the power to appoint and remove the servants and to direct all Municipal functions, in Germany, on the other hand, it is the Executive which appoints, removes and directs the Municipal officers with certain exceptions. In the case of German cities having an Executive Board, the Municipal Council elects the paid professional members of this Executive Board (Magistrate) subject to the approval of the Central Government. In France and

\* The following will be an interesting gloss upon the practice in Germany.

"In a sense the King is the fountain-head of municipal administration, for while the council selects the Burgomaster, its choice must be ratified by the King acting through the interior department. Such approval is usually given as a matter of course. Some years ago, however, when the council of Berlin selected a burgomaster who was *per se non grata* to the King, the action of the council was disapproved. The council reaffirmed its selection, but the King refused to rescind his veto. For sometime the city was without a burgomaster, but finally the council receded from its position."

(Howe. *European Cities at Work* p. 226.) May we compare this with the case of S. C. Bose, the Chief Executive Officer of Calcutta, who has been imprisoned without cause shown by the Bengal Government.

† "As a matter of fact, because of either legal provision or political conditions, the dominating factor in the Municipal organisation is, outside of Great Britain and a few cities in the United States which still cling to the early council system, the Executive. The executive is, with these exceptions, the initiating and the council is the controlling authority in city government." (Goodnow, Page 232.)

Italy, as in England, the Council elects the general managers or directors or the heads of departments, and at the same time apportions their duties amongst them.

## II.—Municipal Executive in India.

In India we follow the English practice on the whole. The Municipal Executive is not made absolutely separate from the Municipal legislature. We have, under the latest Legislation, in Calcutta a Lord Mayor elected by the Corporation at their first meeting, who presides at the Municipal deliberations. But his separate existence as a distinct authority co-ordinate with or independent of the Municipality is not to be thought of. In no sense of the term is the Lord Mayor of Calcutta the supreme Executive authority in or of the Municipality, though, of course, he is not merely the ornamental figurehead or powerless spokesman or the sterilised representative of that body. There is, besides, the Chief Executive Officer,\* who, because he is so described, is not really an independent Executive. He is really a servant of the Municipality for all intents and purposes, and corresponds to the Municipal Commissioner in Bombay. The latter, though a high officer of Government and usually a member of the Indian Civil Service, is nevertheless a servant of the Municipal Corporation of Bombay and is removable by that body.† In Bombay, Madras, and Rangoon, they have an elected president of the Municipal Corporation, who corresponds to the Lord Mayor in Calcutta or in the English cities to some extent. The entire executive control of Municipal business is vested in the Municipal Commissioner in Bombay who is appointed by the Governor-in-Council for three years, subject to renewal, and is removable by a vote of not less than 64 councillors or by the Governor-in-Council. The Bombay Corporation is entitled from time to time, and if it thinks fit, to appoint one or more Deputy Municipal Commissioners, subject to the confirmation by the Governor-in-Council. In the mofussil municipalities a chairman or a president or vice-chairman or vice-president may be elected by the Municipal Council, or appointed by the Local Government, as the case may be, under the provisions of the statutes affecting the several Municipalities. All these Acts expressly provide for the powers to be exercised by the Corporation as a whole, by its standing or

Imitation of  
the English  
system.

\* "The Executive Officer shall be the principal executive officer of the Corporation, and all other officers and servants of the Corporation shall be subordinate to him. He shall have the same right of being present at any meeting of the Corporation, or of any Standing or Special Committee, and of taking part in the discussions thereat as if he were a member of the Corporation or of such Committee, and with the consent of the Mayor or the President of the meeting, as the case may be, he may at any time make a statement or explanation of facts, but he shall not vote upon, or make, any proposition at such meeting."

† "The Municipal Commissioner for the city of Bombay shall be from time to time appointed by the Governor in Council for a renewable period of three years.

But he shall be forthwith removed by Government from office, if at a meeting of the corporation not less than sixty-four councillors shall vote in favour of a proposition in this behalf, and he may be removed by the Governor in Council at any time, if it shall appear to the Governor in Council that he is incapable of performing the duties of his office or has been guilty of any misconduct or neglect which renders his removal expedient."

A former president of the Bombay Municipal Corporation, Mr. V. J. Patel, is recently reported to have declared that the commissioner possesses under the Act far more powers than either the President or all the members of the Corporation put together.



Managing Committee or Committees, by its President, Vice-President, Commissioner, Deputy Commissioner, Chief Executive Officer or Mayor as the case may be. On the whole it would not be inaccurate to say :

“ that the entire executive power for the purpose of carrying out the statutory provisions is by statute vested in the Municipal Commissioner, or President, or the Chairman, or the Chief Executive Officer, as the case may be. He is also empowered in case of emergency, to direct the execution of any work or the doing of any Act pending sanction, and to delegate, subject to certain conditions and restrictions, certain specified powers, duties or functions conferred on him by statute to any Municipal officer.”\*

### III.—The Doctrine of Responsible Government in the Municipality.

Executive responsibility to the Council.

The question of a separation of powers between the Executive and the Legislative becomes important when we consider the responsibility of the Municipal administration vis-a-vis the Municipal sovereign, namely the people of the city. In theory, the Municipal Council is the repository of the powers entrusted to it by the civic population by means of the votes cast for the council. In practice, the council has necessarily to delegate its powers in executive administration to the chief executive authorities, whatever they may be, under the Municipality. If these executive authorities, in carrying out the wishes of the Corporation, are so circumstanced as to be regardless of the desires of the Corporation, then their responsibility to popular control will be only nominal. The statutory provisions, however, which assign definite powers to the Municipal Executive, even such as are overriding the powers of the Municipality as a whole, are in marked contrast to the doctrine of responsible government in Municipalities. The nominal head of the Municipality—namely the Mayor or the President or the Chairman—may be elected for one year and be removable by the Municipality. But in so far as the real Executive, whether known as the Commissioner or the Executive Officer or by whatever other name he is called, is irremovable by the Municipal Council, except by special procedure and for grave reasons, their control over these officers and authorities is bound to be ineffective.† Besides, while there are provisions in the various statutes relating to the Municipal Corporations in India for the removal of individual councillors by the Local Government, or even for the suspension and supersession of the Municipal Council as a whole, at the instance of the Local

\* Ayangar, Page 25.

† The Bombay Act of 1922 permits, as we have seen, the Commissioner to be removed by a vote of 64 councillors out of a total of 106,—a provision strangely at variance with the principle of the supremacy of the Municipal Corporation in its own affairs. It is the more so when we recollect that the Governor in Council can remove the Commissioner for mere incapacity. The Governor, however, has no alternative but to remove a Commissioner, who, the corporation has decided, must be removed; while in other cases it is discretionary to the Governor—not obligatory—to do so. No such case has happened, though in the seventies of the last century when Arthur Crawford was Commissioner of Bombay, a monster agitation was got up against him and his administration.

Government,\* there is no provision for a similar exercise of authority by the civic population. The Municipal councils still seem to be dependent more on the Local Government than on the local population; and as such is responsible to the former, if at all; and certainly not to the latter, though the situation has changed materially in the last few years, and particularly in the Presidency Municipalities. It is evident that if the Municipal Corporation itself should not have any responsibility to the Municipal population, it cannot claim, in its turn, that the executive officers under it should be responsible to it as a superior or sovereign authority.† Even when those officers are appointed and removable by the Corporation itself, as in Calcutta or Rangoon, the Government still retains the power to approve or reject the Corporation's decision.

It follows, then, that the doctrine of responsibility in Municipal government is unknown in India. Municipal Home Rule is not even in embryo, at least as regards municipalities outside the Presidency Towns. And all those expedients employed in American or European cities, for bringing home to the Municipal authorities their ultimate responsibility to the Municipal sovereign,—namely the people of the city concerned,—have no place in India. The direct Initiative by the Municipal voters of measures and policies on which they have set their heart, over the heads of the Municipal council for the time in existence, or a specified consultation of the popular opinion on definite measures of Municipal policy adopted by the Municipal government for the time being in existence, in the shape of a **Referendum**, are impossible in India; while there is no corresponding interest or enthusiasm amongst the peoples of India in regard to the Municipal executive work. One great desideratum of Municipal Life and administration in India, seems to be an advance in the direction of popular responsibility of the Executive to the Municipal legislative authority. And to this end, the extraordinary or statutory position accorded by law to the real Executive, however it is described, must be modified, not, indeed, with a view to imperil the existence of continuity of executive authorities and policies; but rather with a view to make them directly responsible and responsive to popular opinion. The evolution of Municipal responsibility must necessarily

Municipal  
Home Rule.

\* "The Local Government may, if they think fit, on the recommendation of the Corporation, made after due inquiry in which the Councillor or Alderman concerned shall have the right to be heard, remove any councillor or Alderman elected or appointed under this Act, if such councillor or Alderman has been guilty of misconduct in the discharge of his duties or of any disgraceful conduct." (S. 42 of the Calcutta Municipal Act of 1923.) The Local Government may also end the membership of a councillor or alderman in Calcutta, if he is declared to have violated his oath of allegiance.

In the latest Bombay Act, there is apparently no provision of this kind. Government has presumably no power to remove a municipal corporator in the city of Bombay. In the Mofussil, under the Act of 1901, S. 16 gives this power for the district Municipalities.

"The Governor in Council, if he thinks fit, on the recommendation of the Municipality, may remove any councillor elected or appointed under this Act, if such councillor has been guilty of misconduct in the discharge of his duties, or of any disgraceful conduct, or has become incapable of performing his duties as a councillor."

† This is not, of course, any fault of the councillors; the constitution as such ordains this state of things.

depend upon the growth of civic enthusiasm. And this, in its turn, will depend on the formation of Municipal parties, (as distinguished from National parties) which are as yet hardly even in embryo. We have had occasion, before now, to refer to the influence and importance of parties in Municipal Administration, or civic politics. Civic parties are by no means unreservedly condemnable. If the principle of full responsibility of the Municipal Executive is to be given effect to ; if self-government is to be accomplished in reality, we must insist on some kind of collective responsibility—at least for the five or six principal executive officers, whether paid or honorary, like the President, the Commissioner, the Health Officer, the Executive Engineer, the Accountant, &c. **These must take on themselves, not merely the execution of decisions arrived at by the Corporation, but also and principally, in our opinion, initiation of broad questions of civic policy, as also of concrete measures to give effect to that policy.** They must stand or fall by such questions. If the corporation or municipal council is out of sympathy with them, they must resign *en bloc*, and make room for men more acceptable to the Council or the people.\* There is room, in such an arrangement for securing responsible government, for the permanent and undisturbed tenure of subordinate officers of rank below these heads of departments.

#### IV.—The Municipal President,

President, as  
head of the  
Executive.

To achieve this we may have to alter radically our opinion as to (1) **the position and role of the President of the Corporation.** If the principle of Municipal Home Rule and responsible Government is to be accepted, this officer cannot remain merely the ornamental head annually elected to preside over council deliberations. He may continue to be the first citizen that he is now considered to be; but must become something more. **He must be the Prime-Minister in the governance of the Municipality.** On this view of the President's position, we must give him a tenure of office longer and stronger than one year ; we must grant him powers, if not by express statutory provisions, at least by implicit and unmistakable understanding,—to initiate measures of policy as also to carry out the decisions of the Corporation. He must continue in office, as long as the Council might want him to do so. And, if required, he must be suitably remunerated, though, of course, the status and prestige necessarily attaching to the post of the First Citizen freely elected to that place by the votes of his equals, will go a long way in reducing the amount of the monetary consideration needed for the office. Finally, he must also be empowered and enabled to appeal, on proper occasions, by a Referendum as in America, from

\* As things stand, this seems to be an impracticable ideal particularly under present conditions in India. But we may note that such development have actually taken place in America, which must not be dismissed as mere freaks. If the principle of Municipal Home Rule is accepted, such developments seem to be as inevitable as they are unregrettable. Of course, such officers will, on this principle, have to become full members of the corporation, with a right to speak and vote and influence, and not merely respected servants who are allowed to speak in their own defence.

the Corporation to the mass of the voters, to give him a chance to have his measures and policies accepted by the final sovereign.

#### V.—The Functions and Position of the Council.

This body must become more and more the Legislative body. Its control over civic administration must be exercised rather by its power to frame large issues of policy and decide on the same, as also through its right to call the civic executive to account on particular questions, than by any direct or meticulous interference with the actual work of administration. The sessions as well as the term of office of the council will have to be reconsidered on this basis, though the latter may continue to be a fixed term of 3 or 5 years, provided we accept and introduce the principle of proportionate retirement every year of the required proportion of the councillors.\* In any event, it must be clearly, statutorily, and positively recognised that a Municipal council is a creature of the civic population, and not of the Local Government; and that, as such, it owes a responsibility primarily to the former and not to the latter.

The supreme authority in municipal administration.

#### VI.—The Local Governments and the Municipalities.

The Local Government must hence be excluded, utterly and completely, from any concern with the Municipality, particularly as regards the appointment and removal of its Executive, the removal of its councillors, suspension or supersession of its whole body, or the ordering of its general elections, control over its Budget &c. This, of course, will not affect the Local Government's power to pass, amend, or alter the Act constituting a municipality and laying out its powers and functions. But even in this case, the privilege of a Municipal Council to suggest changes, after due deliberation, more in accordance with the changing conditions of Municipal life, should be respected and recognised more and more than has been the case so far. The only excuse, in our opinion, for the direct action by a Local Government affecting the constitution of a Municipality will lie in a possible abuse of its power and position by a municipal body, which might be pursuing the reactionary aim of making itself a closed corporation, or the excessive influence of injurious vested interests.

Exclusion of the Local Government.

#### VII.—The Municipal Electorate.

The power of the local Electorate, on the other hand, must be strengthened, and its right to have its local civic rulers directly responsible to it must be enforced. Besides the annual election of a number of councillors retiring by rotation, we may have to include, in this altered view of Municipal Government, powers of Initiative and Referendum, of Censure and Recall of specified Executive officers, that have so far not even been dreamt of. If the latter

The Municipal sovereign.

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\* Only in Madras, among the Presidency Towns in India, does there seem to be anything like a proportionate retirement of the Council every year.

mitates against the growth of collective responsibility of the Executive, its use in practice will have to be carefully regulated. But the principle of the direct responsibility of the Executive to the supreme municipal sovereign must be given effect to at once, even if the more radical suggestions made above as to the Initiative and the Referendum, the Censure and the Recall, are kept in abeyance, on the ground of there being no sufficient and satisfactory organisation among the municipal electors to work such machinery creditably.

#### VIII.—Administrative Efficiency and Executive Responsibility.

Efficiency in  
Service and  
Responsibility.

As already observed, the desire for a greater degree of responsibility in the Municipal Executive is due rather to the necessity of introducing a real popular interest, and therefore a real measure of local self-government, than to any wish for the uncertainties and vacillation which might follow in consequence of the evolution of popular responsibility. Administrative efficiency is unquestionably desirable, though opinions may vary on the question whether popular responsibility should be sacrificed to administrative efficiency or *vice versa*. For our part, we certainly do not desire that type or phase of popular responsibility, which would mean the introduction of the *spoils system*, or example, in the municipal administrative service. The doctrine of responsibility, if adopted, should be confined, in our opinion, simply to the highest Executive officers—or even to the supreme Executive authority—whether a President or the Commissioner as the case may be; and should not extend to the rest of the subordinate staff, however high and important these officers or authorities may be. The five or six principal heads of departments may well be regarded as making up the Municipal Cabinet, and held, as such, responsible to the Municipal Parliament. This will realise all the requirements of popular responsibility, without at the same unduly sacrificing administrative efficiency. We shall consider this position in fuller detail in the following chapters dealing with Municipal officials. Here it is enough to lay down that the prospects of real self-government on the Municipal basis depend in no small measure upon the continued efficiency in the discharge of their duties by the Municipal servants; that for the sake of this efficiency in Municipal service it would be necessary to guarantee a certainty and continuity of employment and tenure of office in the case of all subordinate officers, no matter of what status, irrespective of the changes in popular favour; that the only officers and authorities that can and should be made answerable to the Municipal council as a whole must be the Chief Executive Officers and authorities, who, if made responsible, will bring in a degree of responsiveness to popular sentiment which will be all that need be desired.

## CHAPTER X.

### MUNICIPAL OFFICERS.

#### I—Unpaid Officers.

A municipal Corporation, being necessarily an impersonal entity or an artificial person, can act only through the medium of real persons. These persons, through whom the Corporation manifests its powers and carries out its functions, are, first, the members of the council appointed under the statute entitling a Municipality to do so. We have already considered how the members are elected or appointed and brought together; and how they carry out their deliberative or legislative functions. We must next see how the Executive and administrative side of a Municipality's work is attended to.

Amongst the officers of the Municipality we must distinguish between paid and unpaid officers. In so far as public offices are to be regarded as a sort of public trust and responsibility, with definite powers, duties and privileges attached to them, remuneration by money for the holding of such an office and the discharge of its duties is neither essential nor important.\* In fact from the point of view of importance in the existing scheme of Municipal organisation, the unpaid officers are greater and more important than the paid heads whether of the entire Municipal administration, or of the particular departments therein. The most important unpaid officer,—perhaps the only one of his kind, unless we reckon members of specified statutory committees of the Corporation to be unpaid officers of the same,—is the President, whether elected by the Corporation or appointed by Government. The powers and duties of the President, as well as the mode of his appointment or election, are definitely prescribed by the Statute instituting the Municipality. In Bombay, the President is elected at the commencement of the official year by the Corporation as a whole. He is to hold office for one year, and to preside at the meetings of the Corporation, as well as its committees, with the exception of this Standing Committee. An energetic president may and does take a very active part in

Need for Servants.

Distinction between Officers and Servants.

\* The following interesting distinction between an officer and a servant may be noted here in passing

"An officer must be distinguished from a mere employee. The position of an officer appears to involve some discretion of authority, and has to be distinguished from that of a mere servant whose only duty is to obey orders, though it is not always easy to draw the line. In one view they are all agents of the Corporation, the extent of the powers varying in each. The relation that exists between a Corporation and its employee or servant is a contract one, while in the other case it is not so.

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In general, it may be stated that a person whose duties are fixed by statute or law or by any bye-law is an officer."

the day-to-day administration of the executive work of the Corporation. But this is due rather to the personal aptitude of a President, than to any specific or statutory provision in that regard. The same remarks apply to the President of the Calcutta Corporation, called the Lord Mayor, elected to hold office for one year, but open to re-election, as has been the case in the mayoralty of Mr. C. R. Das. It may be remarked here, in passing, that while in Britain the Chief Executive or the Mayor is an honorary officer, elected annually, several Municipal Councils in that country make an allowance to the Mayor by way of enabling him to maintain the dignity of his office, and contribute towards the expenses of entertainment &c. incidental to that office. In the case of the city of London, this allowance of the Lord Mayor amounts to £10,000 per annum, while several other cities give £2,000 or more. In Germany, the Burgomaster is a definitely paid officer, and the post has its own regular place in the Municipal hierarchy. In France the Mayors are in theory unpaid, but they are allowed a sum by way of expenses. In India the post is so far wholly honorary. The Mayor's share in the executive business of the corporation, however, seldom varies with the salary allowance obtained by him \*

## II.—Paid Executive Officers.

Chief Executive officers.

The honorary and unpaid President is, as we have seen, an ornamental figure-head, whose active and actual share in the daily administration must depend upon the personal temperament of each individual. So long as the convention is observed of appointing or electing to the presidency of the Municipal councils, even in the Presidency Cities, men who are actively engaged in other businesses or professions, and who are accordingly unable to spare any very considerable time for the administration of the Municipal affairs, it would be impossible to expect that the President should take the lion's share in conducting the executive work of the Municipality; and because of this, the practice necessarily develops of having paid Executive Officers, who, by statutory provisions, are invested with the full control of the Executive machine. In the different Municipalities they are given different positions and importance; but by whatever name these paid Executive Chiefs of the Municipalities in India are known, they must be distinguished from the corresponding Executive authorities properly so called in Western cities. Though the Municipal Commissioner or the Executive Officer in India is given powers to initiate as well as to advise the Corporation, he is still excluded from the sole initiative and responsibility for the executive side of the Municipality's work. Thus in Calcutta, where the law seems to be the most liberal as regards the powers and position of the Executive Officer, under the latest Act it has been laid down:

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\* Foot-note See ante p. 36

"The Executive Officer shall be the principal executive officer of the Corporation, and all other officers and servants of the Corporation shall be subordinate to him. He shall have the same right of being present at any meeting of the Corporation, or of any Standing or Special Committee, and of taking part in the discussions thereat as if he were a member of the Corporation or of such Committee, and, with the consent of the Mayor or the President of the meeting, as the case may be, he may at any time make a statement or explanation of facts, but he shall not vote upon, or make any proposition at such meeting." \*

In Bombay the corresponding authority is found in Section 64 (3), which lays down :

"Subject, whenever it is in this Act expressly so directed, to the approval or sanction of the corporation or the standing committee, and subject also to all other restrictions, limitations and conditions imposed by this Act, the entire executive power for the purpose of carrying out the provisions of this Act vests in the Commissioner, who shall also

- (a) perform all the duties and exercise all the powers specifically imposed or conferred upon him by this Act ;
- (b) prescribe the duties of, and exercise supervision and control over the acts and proceedings of all municipal officers and servants, other than the municipal secretary and the municipal officers and servants immediately subordinate to him, and, subject to the regulations at the time being in force under section 81, dispose of all questions relating to the service of the said officers and servants and their pay, privileges and allowances ;
- (c) on the occurrence or the threatened occurrence of any sudden accident or unforeseen event, involving or likely to involve extensive damage to any property of the corporation or danger to human life, take such immediate action, as the emergency shall appear to him to justify or to require, reporting forthwith to the standing committee and to the corporation. when he has done so, the action he has taken and his reasons for taking the same and the amount of cost, if any incurred or likely to be incurred in consequence of such action, which is not the meaning of that expression as defined in section 130."

At first sight these powers seem to be very extensive ; and are perhaps so in fact as well, according to the ability of the Executive Officer for the time being, and the degree of confidence reposed in him by the Municipal council. But when all allowance is made for the letter of the law, it must be admitted that the officer described as the Chief Executive Officer has rather ministerial than executive authority. The distinction is somewhat subtle and difficult to grasp. But if, on the analogy on which we have previously distinguished between officers and

Practical  
Limitations.

\* Section 52 of the Calcutta Municipal Act of 1923.



servants, it were permissible to institute a distinction between executive and ministerial officers, we would say that the executive officers are those who not only possess a certain degree of *discretion* in carrying out the duties entrusted to them, but have also a certain amount of *initiative*, which may take the form, either of direct action, or at least of advice for action to the Municipality; whereas the ministerial officers have no such initiative, or right to advise, left to them, but are simply required to carry out with discretion certain duties entrusted to them. On this basis, and with reference to the actual facts of the situation rather than the letter of the law, it would not be inaccurate to say that the executive officers so described in the Indian Municipalities are rather ministerial than executive. The real executive business is left to the standing or managing committee, which functions apart from, though with the advice and assistance of, the executive officers. This view is further strengthened by the expressed provision in the Calcutta Act which debars the Chief Executive Officer from voting upon or making any proposition at a meeting of the Corporation.\* A really Executive Officer should have, in our opinion, every right, not merely to advise and explain, but also to vote and take part in discussion and move propositions. And, as an inevitable corollary of that position, he must be saddled with responsibility to the corporation for his executive acts and policies. Hence our suggestion, already made, that in order to enforce the principle of responsibility of the Executive to the Legislative, the President and the chief departmental heads should form themselves into a municipal cabinet, and be at the same time full members of the municipal Council.

### III.—Paid Executive Officers.

Their mode  
of appointment  
and responsi-  
bility.

As already mentioned elsewhere, these executive officers are appointed by the Government, or the Corporation as the case may be, under the laws governing the several Municipalities. In Calcutta, under the latest Act, the Corporation must appoint in each case, the Chief Executive Officer, Chief Engineer, Chief Accountant, Health Officer and Secretary. If necessary the Corporation may also appoint not more than two Deputy Executive Officers.† These appointments and the salaries and allowances, as well as the conditions of service attached to them, are subject to the approval of the Local Government, as also any action taken by the Corporation to terminate any of these appointments. In Bombay it is the Government which appoints the Chief Executive officer even under the latest Act, though he is made removable by a vote of not less than 64 councillors at a meeting of the corporation.‡ Both

\* In Bombay, though the Municipal Commissioner has the right, apparently, to advise the Corporation, he is not a part of the Corporation and cannot vote at its meetings, though he can speak there more than once if necessary on the same question.

† See S. 51 of the Calcutta Municipal Act.

‡ See S. 54 of the Bombay Municipal Act.

the Commissioner and the Deputy Commissioner are entitled to such pay, pension, and other allowances as may be laid down by the Local Government and by the Corporation, provided that in the case of the Commissioner the salary is not less than Rs. 2,000 per month, and not more than Rs. 2,500 per month except in the case of a Commissioner who has held office for more than 3 years, in which case his salary may be raised to Rs. 3,000 with the approval of the Corporation.\* He may also be removed by the Governor in Council, when the latter is satisfied that the Municipal Commissioner is incapable of performing the duties of his office, or has been guilty of any mis-conduct or neglect which renders his removal expedient. The Corporation in Bombay has the right to appoint a Deputy Municipal Commissioner if it thinks necessary; and, as a matter of fact, such an officer is appointed. But a Deputy Commissioner, as his name implies, is subordinate to the Commissioner; and has only such of the powers and duties as the Commissioner from time to time deputed to him. It is true the Commissioner must inform the Corporation of the powers and duties which he has from time to time deputed to the Deputy Commissioner. But that does not make the Deputy Commissioner an executive officer in the real sense of the term. In any case the responsibility of the Commissioner and his Deputy is rather to the Local Government than to the Municipal body, and as such he also can scarcely be described as the executive authority of the Bombay Municipal Corporation in the proper sense.†

Are the powers of the Executive usually assigned under the various Acts to the Executive Officers insufficient, adequate, or excessive? The answer to this question will, of course, depend upon what we consider to be the legitimate sphere of action of the executive authority in a Municipality; and this in its turn must be determined by the number and variety of functions carried out by the Municipality. The importance of the Municipality itself has really very little to do with the extent of powers to be assigned to the Executive in that body.

Adequacy of  
Executive powers.

\* 57. "The Commissioner shall receive such monthly salary not exceeding rupees two thousand as Government shall from time to time determine, in return wherefor he shall, except as hereinafter provided, devote his whole time and attention to the duties of his office as prescribed in this Act or in any other enactment for the time being in force:

Provided that he may at any time—

(a) hold the office of a trustee of the port of Bombay;

(b) with the sanction of the corporation, serve on any committee constituted for the purpose of any local inquiry or for the furtherance of any object of local importance or interest.

Provided also that, with the approval of the corporation, the monthly salary of a Commissioner who has held the appointment for a period of not less than three years, may be raised to a sum not exceeding three thousand rupees."

58. "A Deputy Municipal Commissioner shall receive such monthly salary not exceeding rupees fifteen hundred and not less than rupees twelve hundred as the corporation shall from time to time determine."

In the projected reform of the latest Municipal Act, considered and settled by the Corporation, they have attempted to bring the Municipal Commissioner in Bombay under the authority of the Corporation entirely."

† In Madras the position of the Chief Executive Officer, the Commissioner, corresponds to that in Bombay.

In Rangoon he is entirely subordinate to the Municipal Corporation.

If the Executive is to serve as a guide, philosopher, and friend of the Municipal council, then the powers of advising and explaining measures of policy to the council, or of supervising the general staff of the Municipality, or of taking action in emergencies, is hardly consistent with the proper conception of an executive authority as indicated above. It is not merely on a reference made by the Corporation or the Council, that the Commissioner or the Executive Authority should feel himself entitled to act. He must be able and competent to bring forward his own policies and measures, to give effect to these policies, subject of course to the approval of the council as a whole. From this point of view the Executive Authority in the Indian Municipalities, such as it is, must be pronounced to have rather inadequate than excessive powers. The explanation of this state of things, however, may be found in the fact that the Executive Officers have hitherto been regarded, and are in fact, except in Calcutta and Rangoon, rather the servants of the Government and responsible to them, than the servants of the Corporation, in full sympathy with the Corporation, and owing entire and exclusive allegiance to that body. If the Chief Executive Authority in a Municipality is made exclusively responsible to the Municipal council, there would perhaps be no reason to exclude from the jurisdiction of these Executive Officers, those powers of initiative and constructive suggestion which to-day an unavoidable suspicion of the lack of full sympathy between the Municipal council and their executive authority compels to be excluded. But a much better solution has already been indicated in chapter VIII.

#### IV.—Other Chief Officers.

Departmental  
Chiefs in Municipal  
Service.

We have throughout spoken of the executive authority rather than of an Executive Officer, because we think the Executive of the Municipality—even when embodied in one officer for the sake of concentration of authorities and responsibilities—must be considered to be a complex authority. The really proper Executive must be composed of all the principal heads of departments at least in the Municipality, such as those enumerated in the Bengal Act III of 1923, Sec. 51. In Bombay, also, the Corporation has the right to appoint the Municipal Executive Engineer, Health Officer, and Hydraulic Engineer. Though the Corporation is bound to appoint them for a renewable term of five years, these officers are also made removable for misconduct or neglect or incapacity for the discharge of their duties on the votes of not less than two-thirds of the members present at a meeting of the Corporation. These appointments are subject to confirmation by the Government. Similarly, the Corporation appoints the Secretary to the Schools' Committee and the Municipal Secretary, in whose appointment and removal the Corporation is supreme. In Bombay the Corporation reserves to itself the right of appointing all Municipal officers, whether temporary or permanent, whose minimum salary exclusive of allowances is Rs.

500/- or more,\* and no new office of which the aggregate emoluments exceed Rs. 200 per month could be created without the sanction of the Corporation.

All these heads of departments in the Municipal service should be regarded as collectively constituting the Executive Authority of the Municipality. If the doctrine of Municipal Home Rule, or the responsibility of the Executive to the Legislative, is to be realised, then it is of the utmost importance that these officers should not only be accountable to the Municipal council; but that they may be made part and parcel of that council, so as to enable them to guide and influence the Municipal council, its policy and decisions affecting these departments in their charge. Collective Executive.

As regards their emoluments, terms, and conditions of service, the following summary of the provisions in the Bombay Act may be regarded as indicating the standard set in the most prosperous Municipality in this behalf. Emoluments of Executive Officers.

The Municipal Executive Engineer of Bombay is allowed a salary not exceeding Rs. 2,000/- per month, and not below Rs. 1,200/- per month; the Municipal Executive Health Officer is granted a monthly salary not exceeding Rs. 2,000/- and not below Rs. 1,500/- subject to a personal allowance in the case of the Executive Health Officer of Rs. 250/- with the previous sanction of the Governor in Council. The Municipal Hydraulic Engineer has a monthly salary not exceeding Rs. 1,800/- and not below Rs. 1,200/-. The salary of the Secretary of the Schools' Committee is not fixed by law; that of the present Municipal Secretary is fixed at Rs. 700/- per month, which with the previous sanction of the Corporation may be increased to a maximum of one thousand; and after an approved service of not less than seven years to the still higher maximum of Rs. 1,200/- As regards the other terms of appointment, including leave, acting appointments, emoluments, pensions, gratuities etc. these are determined by Regulations made by the Standing Committee of the Corporation under Sec. 81 of the Act.

Finally, we may mention that in the case of all Municipal Officers, executive as well as administrative, the disqualification is laid down to the following effect:— Disqualifications for Executive Service.

- (1) Any person who has, directly or indirectly by himself or his partner, any share or interest in any contract with, by, or on behalf of the corporation, other than as a municipal officer or servant, shall be disqualified for being a municipal officer or servant.

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\* "(1) The power of appointing municipal officers temporary or permanent, whose minimum monthly salary exclusive of allowances is or exceeds Rs 500/-, shall vest in the corporation; Provided that temporary appointments for loan works for a period of not more than six months may be made by the Commissioner without the sanction of the corporation: the Commissioner shall forthwith report every such appointment when made to the corporation.

(2) Save as otherwise provided in this Act, the power of appointing Municipal officers and servants shall, subject to the schedule at the time being in force, prepared and sanctioned under section 79, vest in the Commissioner." (S. 80 A.)

- (2) Any municipal officer or servant who shall acquire, directly or indirectly, by himself or his partner, any share or interest in any such contract or employment as aforesaid, shall cease to be a municipal officer or servant and his office shall become vacant.
- (3) Nothing in this section shall apply to any such share or interest in any contract or employment with, by, or on behalf of the corporation as under clause (h) and (k) of section 16, it is permissible for a councillor to have, without his being thereby disqualified for being a councillor.

The Calcutta Municipal Act of 1923 has a curious provision by way of disqualification for an Executive Officership.

S. 54 of that Act says :—

- “(1) No person shall be eligible for any office mentioned or referred to in section 51 if he is seriously indebted to any person.
- (2) If any person holding any of the said offices becomes so indebted the Corporation may, subject to the proviso to sub-section (1) of section 51 declare his office to be vacant.”

The *raison d'être* of this curious provision is not difficult to seek. It is possible that an executive officer seriously in debt may not be able to discharge his duties to the corporation properly, whenever he is pressed by his creditors. On the other hand such a provision is bound to involve a degree of inquisition that cannot but be resented, and may not unnaturally be frustrated by the inherent opposition of the officer concerned.

## CHAPTER XI.

### MUNICIPAL OFFICIALS (*Continued.*) Ministerial.

#### I.—Municipal Service in General.

"There can be no comprehension, however faint, of the Government of Paris, which does not take into account the superb permanent organisation of the civil service machine. It is to this *tertium quid* that one must look if he would discover the real unity and continuity of the administrative work of the Paris Municipality. Prefects may come and go, ministers may change with the seasons, and municipal councils may debate and harangue until they make the doings at the *hotel de ville* a by-word for futile and noisy discussion, but the splendid administrative machinery moves steadily on."\*

Importance  
of Permanent  
Service.

Distinguishing, as we have done, between executive and ministerial services, we must next notice the desiderata of the ministerial service in general under Municipalities.

"The qualities" says Dr. Goodnow, "desired in a municipal administrative force are two in number: their amenability to popular control, and administrative efficiency. Amenability to popular control is necessary, else the wishes of the people will be incapable of realisation. Administrative efficiency is necessary, else what is done will not be well done. But while amenability to popular control is dependent upon precarious tenure, administrative efficiency is dependent upon actual permanence of incumbency. The two desired qualities seem therefore to be somewhat inconsistent. This inconsistency, further, is not a seeming but a real inconsistency; and, while the thing to be desired is a proper balancing between these opposing qualities, the natural result is that it is usually the case that one of the two qualities so desired in the municipal administrative force, is, as a matter of fact, somewhat sacrificed to the other."†

Requirements  
in Municipal  
Service.

These mutually inconsistent requirements laid down by Dr. Goodnow as being desirable in the Municipal service can, however, very easily be secured if the suggestions we have made in the preceding chapter were adopted. If a distinction is made and observed in practice between the executive and ministerial officers, and if amenability to popular control or responsibility to the Municipal council is enforced only as regards the executive officers or heads of departments, who collectively form the Municipal Cabinet; and if all the others, including therein the operative staff of all the large municipal undertakings commercial or not—such as street-railways and transport services of all kinds, lighting and power supply, purveyance of food etc. etc.,—were made permanent

Executive and  
Administrative  
Staff.

\* Shaw, *Municipal Government of Continental Europe*, p. 27.

† *Op. Cit.*, Goodnow. Page 236.

and sheltered from the varying gusts of popular favour, all the desiderata of efficiency and responsibility will be perfectly secured. To give a concrete idea of what we mean, let us illustrate by the following example. In the Municipality of Bombay, the most important heads of departments are : the Engineer, the Accountant, and the Health officer. To these may be added the President who, instead of being the annually elected ornamental head, will be the chief executive authority in place of the present day commissioner. These collectively will, under the scheme we have outlined, form the municipal cabinet. They will be appointed somewhat in the same way as the cabinet is appointed in England, i.e. from the party in power or majority in the municipal council. The cabinet will be responsible to the council for all policies and measures, holding or resigning office collectively according as their policy finds favour with the majority or not. While they are in office, all the superior permanent administrative officers in their several departments will be under their control, as also the entire machinery of administration. One great obstacle in the way of a satisfactory working of this system might be found in the annual retirement of a proportion of the Council; which might conceivably disturb the balance of parties in the house ; but in practice this difficulty could be easily overcome by the evolution of the group system in place of the two-party system common in English speaking countries. In all other respects this would be an excellent means to realise the principle of Municipal Home Rule.

Relative Importance of either.

It is, indeed, exceedingly difficult to balance and pronounce relatively upon the comparative importance either of efficiency or of responsibility in Municipal administration. Numerically the administrative staff is bound to be much greater than the executive staff; and also the role of the former in supplying the amenities of civic life would necessarily be much more important. But the part the ministerial officers of all grades and in all departments have to play in municipal service is unavoidably conditioned by the number of functions undertaken by the Municipality. And this in its turn cannot be widened at all considerably, without that intense civic enthusiasm amongst the population of the city generally, which will not be called forth unless and until we enforce full responsibility of the civic executive to the civic electorate. And hence it is that a distinction made above from the very nature of civic government, is further emphasised by the desiderata we have laid down as required in the service of the Municipality.

Conditions of Service.

It follows, then, that the qualifications expected from ministerial officers as well as their mode of appointment and emoluments, together with the conditions of their service, will necessarily differ from the similar qualifications, mode of appointment, emoluments and conditions of service in the case of the chief executive officers. The qualifications in the ministerial branch must be a mixture of good general education, and specialised training fitting an individual

for any of the several technical departments in charge of a Municipality. The emphasis on technical qualifications would, of course, be greater in proportion as the specialisation of the work required from an individual officer is greater. And as regards the emoluments of municipal office, it is of the utmost importance that the Municipality—like the State Government in general—should, in the contract of service with their employees, set a standard worthy of following by all other employers. To this end the **permanence of tenure** on the satisfactory discharge of the duties entrusted to an officer or servant must be secured as the first condition of good service. The dangers and disadvantages of Party Government in municipalities would then be insignificant. And if permanence of tenure is coupled with suitable chances of promotion on condition of proved efficiency in the course of service, the diligence of the municipal officers and servants will be increased enormously. Security of tenure, chances of promotion, and reasonable provision on retirement against accidents are the indispensable minimum of the contract of service that a Municipality cannot dispense with.\*

As regards emoluments, the Municipality must of course accept a datum line, in the shape of a standard minimum wage, sufficient to maintain in ordinary comfort, in the class in which they are, the several municipal officers and servants. This lower limit is therefore not very difficult to determine, though it may vary as between the several classes or departments in the municipal service, as also between the several cities. The principal thing, however, is the maximum pay a municipal officer can hope to rise to. It is very difficult to fix. The vice of high salaries has gone too far in India not to affect the Municipalities; and the payments made to the Chief Municipal Executive Officers in the leading Municipalities of India, are, as already shown elsewhere, much too high not to vitiate the corresponding emoluments for the other executive officers and their principal subordinates. We need a radical revision of the fundamental ideas regarding the scale of salaries that should be paid to the public servants, whether in the state or in the city. If the analogy of German or English cities is of any importance at all, we may add that the Indian salaries are out of all proportion, either to the importance of the city, or the range of its functions, or the ability of the civic population to bear the burden of salaries prevailing in India.

Emoluments.

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\* The standard contract of service under the municipality will have to include many terms and conditions of which in a rough, bare summary, like the one above we cannot even make a mention. Take for example the right of the employees to strike work in case of unsatisfactory conditions of work. The right must be conceded as the inevitable and not unwelcome counterpart of the need to organise industrial workers in the present capitalistic regime as the only means to secure them a decent standard of living. On the other hand workers in the public utility services—transport, lighting, scavenging—cannot be allowed to stop work all of a sudden. The only remedy seems to be either a compulsory arbitration of all such disputes, or a requirement, like the one provided by the Madras municipal Act (S. 363) that the members of the public utility services at least shall not go on strike without adequate notice.



## II.—Modes of recruitment for Municipal Service.

Loaned Service.

Municipal service is, as already noticed, recruited from a variety of sources. Starting from above, there is the unfailing resource of loan of officers from the general-public-service of the state in India. The Chief Municipal Commissioner or Executive Authority has been, until recently, in the most important Municipalities, a permanent Civil Servant, who has to be paid and maintained in a manner conformable to the regulations of the Civil Service, which have, of course, been made without any reference to the needs or policy of the Municipality. It is, indeed, not undesirable that a link should be provided in an informal manner between a city and the state government *e.g.* by the presence in the City Executive of a member of the Civil Service. But there are some insuperable objections, in our opinion, to members of the general civil service being appointed or loaned to be Chief Executive Officers of a Municipality. In the first place, these officers have no permanent interest in the city and its administration. They are necessarily birds of passage, who take their municipal appointments merely as incidents in their official career; and as such, cannot be expected to make their municipal executive officership as the be-all and end-all of their career. It is a mere flirtation, not a passion of a life-time. They are, moreover, not always nor necessarily in sympathy with the ideals of municipal expansion; and in case where the ideal of municipal expansion conflicts with that of the state, a civil servant at the head of a Municipality is apt to take the view-point rather of the state than of the city. A conflict of ideals and interests between the state and the city is, though undesirable, not impossible or inconceivable. Besides, such a principle of loan would be inconsistent with the doctrine of responsibility to the municipal sovereign as advocated in these pages. We are, accordingly, unable to look with favour upon this practice of having the Chief Executive Officers of Municipalities recruited by loans from the public service of the country. If the principle of the loan of officers from the general public service is to be maintained, it may rather be in the case of the more technical departments under the Municipality, such as the Engineering side of the street-railways or of electric and gas supply, than in the case of the chief executive officers under the Municipality. On the whole, however, we think, both the state and the municipality will gain in efficiency and importance, if the municipal service is organised in all its departments on a separate footing.

Patronage.

Next in importance to the principle of loans from the general public service, is the practice of making municipal appointments by the exercise of a more or less restricted discretion given to the municipal executive authorities. The law lays down in the case of Bombay, as we have already seen, that no appointments carrying a salary or emoluments of 500 rupees or more can be made or created without the sanction of the corporation as a whole; and that all appointments over 250 rupees per month must be submitted to the standing committee of the

corporation by the Commissioner. By inference appointments under Rs. 250/- per month may be made by the Commissioner at his discretion. The exercise of patronage, however, is undesirable as leaving the door open to inefficiency if not corruption indirectly. The evils of patronage are much too obvious to be laboured upon. And though no doubt some discretion will always have to be given, particularly in the large departments of commercial undertakings, for the recruitment of the operative staff of very low paid men, the ideal is always to be to eliminate the element of patronage as far as possible. Hence, in the case of the subordinate staff in the commercial undertakings, such as conductors and drivers in street cars, we may encourage the formation of Labour Unions, the executive authorities of which may be relied upon to furnish the labour staff, as and when wanted, of the requisite calibre. In all other cases, it would be best to depend on some sort of open competitive test, rather than on bare-faced patronage. But of this more hereafter.

One another mode of appointment to office under the Municipality may also be noticed here; that is by simple election. Election to the highest executive offices, few in number but great in importance, may not be exceptionable, though even in their case, the American experience of election does not by any means justify the hope that the desiderata of good, efficient public service in the Municipalities would be satisfied by such means. Election to be acceptable, so as to give the city the right kind of officers even in the high executive posts, must preferably be indirect, and not direct, by the general electorate at large. This means that the Chief Executive Officers collectively forming the Municipal Cabinet should be elected or designated by the Municipal Council in preference to the Municipal electorate. When applied to subordinate officers, this practice would be unmitigatedly mischievous. It will involve all the evils of canvassing, patronage and personal predilections and prejudices of the appointing authority; and leave altogether out of account the consideration of efficiency and fitness of a candidate for a given post. The practice of election by the eliminatory ballot, adopted in some recent cases in Bombay, must be condemned in some measure. It is of the utmost importance that the decisions on measures and policies by the representatives of the city must be open and public. These ballots have been secret; and as such there is no means to ascertain who voted for whom. Such a practice cannot but tend to place a premium upon bad faith and dishonesty. The eliminatory ballot, besides, does not give a guarantee of securing the best men for a particular post, but rather of the most effective canvasser for the job. Of course the danger of canvassing will not be avoided even under a system of open voting; but it saves the Council from a charge of bad faith.

### III.—A plea for an open, competitive Municipal Service Examination.

All these considerations emphasise the inevitable necessity of introducing some kind of an open competitive examination for the recruitment of the

Consolidated  
Municipal Civil  
Service for the  
whole of India,

municipal service. If the service requirements of all the Municipalities in India were consolidated, there would be an ample field for intelligent and ambitious men to come forward and compete for these civic honours. There are about 750 Municipalities in India. Given an average requirement in important posts of trust and responsibility of five officers per municipality in the superior ranks, there would be a total requirement of some 3,750 officers. If out of these only about 10% or even 5% are available for appointment each year, there would be room for 200 to 400 individuals every year. With an expansion of the scope of civic functions of the type we have indicated above, this number would have to be very much increased in the future. And if the Civil Service under the Municipality guarantees a standard minimum wage, with regular, reasonable promotion and good prospects on retirement; and is not confined only to a given city, but becomes an item in the **consolidated municipal service of the whole of India**, there is no reason to fear that we may not obtain persons of the requisite qualifications, integrity and ability for the discharge of municipal duties. An open competitive examination, which dispenses with canvassing and patronage, will secure us the desideratum of efficiency in the highest possible degree. Though the precedent is still not to be found in many of the advanced countries for an organised Municipal Service Examination, open and competitive, of the type that we are here advocating, all the cities of New York and Massachusetts have an open competitive examination for their local municipal service. In Germany, also, they have pretty precise notions about the qualifications expected from aspirants to municipal offices; and, without having a regular examination for general recruitment for municipal service as a whole, they nevertheless aim at filling these posts by an informal or irregular competition of qualifications.\* In German Universities, again, there are regular courses preparing the aspirants for municipal service for their task. And even outside the Universities there are facilities for training men for the municipal service.

Joint Examination with the national Civil Service Examination.

This German or American model may be developed in India by instituting a regular Municipal Service Examination, conjointly with the National Civil Service Examination now-a-days held in India and in England, or even independently of this national organisation. The examination may be held under the auspices of a **Central Municipal organisation** consolidating and co-ordinating the service requirements of all the Municipalities in India, and even perhaps of the Dis-

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\* "The German city is governed by experts who devote their lives to this calling. Men prepare themselves for city administration as they do for law, medicine or any other profession. They take special courses in the Universities or technical schools in law, finance, engineering, town-planning, education or sanitation. On graduation they compete for a municipal post along with other candidates. Sometimes they enter the permanent service from the city council, or the state civil administration, or the profession of law. They rise from one position to another, or pass from city to city, much as a clergyman or professor in this country moves from place to place. In time they hope to become burgomaster, and if they make a success in their city, their reputation is known all over Germany. This is true of the burgomaster, of members of the magistrat, or administrative council, and of the important permanent officials generally." Howe : *European Cities at Work* ; p. 219.

trict Boards. Just as the Civil Service Examination in England provides recruits for Home Service, Indian Civil Service, and the Colonial Civil Service, so also it is perfectly possible to have a consolidated competitive examination in India for the public service in the Central Civil Service, in the various departmental services of the Central and Provincial governments including the commercial departments, as also in the Local Service under the Municipalities and the District Boards. The evils of patronage and prejudice, of canvassing and log-rolling, will be avoided by such means. Merit alone must rule, and influence shall not govern.

We are so convinced of the necessity of efficiency in the recruitment of public services, and particularly of the local service under Municipalities and District Boards, that we may assert that there is and should be no room for the manifestation of **communal sentiment** in the appointments to the Local Service. Communal sentiment, if allowed any scope in the appointments to Municipal Service, cannot but injure the efficiency of that service. In instituting merit as the only guide for appointment, and efficiency as the only passport for subsequent promotion, we take into consideration simply the requirements of public service in the Municipality and nothing else. It is possible that by having exclusive regard for the results of a competitive examination, we may come to find an unduly large proportion of the higher offices in the Municipal Service manned by members of one community only. With the progress of education, however, this disadvantage ought to diminish and eventually disappear. And if the unanimous sentiment of the civic population should be so far wanting in a realisation of the civic needs, some kind of special provision may be made during the transition period, when the educational progress of all communities inhabiting a city has not been great enough to secure them against an unequal distribution of posts in the Municipal Service. Such special provision should, however, be made for the transitional period only. But in doing so we would not advocate that the principle of examination be invaded or modified so far as to make it incumbent upon the conductors of the examination to introduce, in their results, some kind of a discrimination in favour of certain specified communities. We would rather divide Municipal Service so as to reserve a certain limited number of posts for appointing on the communal basis. We cannot however disguise our personal disapprobation of this mischievous principle of communal appointment likely in the long run to do more harm than good to the city service.

Communal  
Representation.

#### IV.—Appointment and Promotion.

We may at this stage make a distinction between the initial appointment to the Municipal Service and subsequent promotions in the course of a career in the Municipal Service. The distinction is necessitated owing to the unavoidable difference in the authorities which make the initial appointment, and those which determine the subsequent promotions. If the principle of open competi-

Power of the  
Municipal au-  
thorities.

tive examination is adopted ; and if, secondly the idea of a consolidated Municipal Service common to the whole of India is also accepted ; then the initial appointments would be made somewhat in the following manner :—All Municipalities would notify to the authority entrusted with the conduct of the public service examinations, the number of posts, if any, which would fall vacant under their jurisdiction, and to which they must make nomination within a given period, as the result of this open competitive examination. The conductors of the examination would consolidate these requirements ; and hold the examination and determine the results, so as to secure the candidates in order of merit for the number of posts available under the several Municipalities. The allocation of the several candidates to the several Municipalities will then be made in each province according to considerations of provincial affinities, local knowledge, special qualifications etc. Generally speaking, preference would necessarily have to be given to local knowledge in making specific allocations of the candidates to the several posts. All these candidates, however, when assigned to the several Municipalities, would be confirmed in their appointments by the Municipal Corporations concerned, which, however, would have the right to refuse any candidate, and seek any other candidate instead from the results of the examination, if for any specific and proper reason, the candidate assigned to their service appears to them unsuitable for their purpose, and another appears more suitable. Lest there may be too many conflicts between the Board or Commissioners conducting the Municipal Service Examination, and the Municipalities which have eventually to make such appointment, it would be advisable to have some kind of a **Central Municipal Authority**, which, being the creature of all the Municipalities of India combined, will necessarily command sufficient confidence ; and so will be able to have its suggestions for the several appointments respected by the Municipalities. When once the allocations are made, the authorities entitled to make subsequent promotions and determine the future of a candidate's career in the Municipality must necessarily be the Municipality proper, or rather the executive authority within and under the Municipality. These authorities will, of course, work as representatives of the people ; and will in all probability decree no promotions except in a manner which will command the approval of the Council as a whole, and also of the people. The final height a municipal servant can aspire to rise eventually to may be determined, not merely by the opportunities in a given Municipality only, but also by pooling the requirements and resources of all the Municipalities in India ; so that a really able and competent person in the Municipal Service may hope to rise eventually to the highest posts in any Municipality all over India, and not merely to the Municipality to which he was originally assigned as a result of this competitive examination we have spoken of.

Co-ordination.

The last factor should be regarded in the Municipal Service as even more important than the initial suggestion of recruitment for the Service on the results

of a competitive examination. Without a consolidation of the Municipal Service, there will be no possibility of such a co-ordination of work as would guarantee a simultaneous progress on similar and sympathetic lines for all the Municipalities in India. It will engender a degree of healthy rivalry and competition amongst the Municipalities, that is indispensable for a virile sentiment amongst municipal workers. The possibility of consolidation and co-ordination of Municipal Service and Municipal work will be emphasised by such measures as we have advocated above ; and a Central Municipal Clearing-house brought about as a result of this consolidation and co-ordination will further promote the efficiency of Municipal administration.

### V.—The Subordinate Municipal Service. .

The foregoing remarks apply chiefly to the higher posts in the Municipal Service. These will be posts of direction and supervision, and will therefore necessarily carry a degree of discretion and initiative, which will justly entitle their holders to be regarded as Executive Officers. The really ministerial officers, or servants, who will constitute the large bulk of employees under the Municipality, will be excluded from the open competitive examination ; though, if we are to follow the analogy of public service recruitment in England where they have open examination for Civil Service Clerkships of the first class, second class, and third class in all departments, it will not at all be impossible to embrace even these posts within the scope of the examination. As a practical proposition, however, and in view of the possibility of rapid expansion in municipal functions of an enterprising or commercial character,—it will be as well to be modest ; and to confine the scope of the Municipal Civil Service, in the first instance at least, to superior posts of command and control. In the inferior offices, right down to the last rung of the ladder, the demands of efficiency may be satisfied by deliberately encouraging the formation of labour organisations, which will guarantee the necessary amount of technical skill and familiarity with their task amongst the members ; and so fulfil all the requirements of efficiency in these subordinate posts. The recruitment of subordinate servants from officially recognised labour organisations will, of course, involve the corresponding obligation of accepting the basic principles on which such labour organisations are founded and have to work. These principles will involve the obligation on the Municipalities to act in all respects as a model employer ; and so to accept the requirements of a living wage for every class of municipal servants as well as reasonable security in employment and promotion or improvement in the conditions. It would also involve a recognition of the right to strike for the workers in the event of their being dissatisfied with the conditions of service under the Municipality ; as also of the obligation to appear before any Tribunal that may be established for arbitration upon or adjudication of such industrial disputes.

Subordinate  
Service.

**Inspectors.**

In order to guarantee a continued maintenance of efficiency in Municipal Service, Municipalities will have to maintain to some extent an inspectorial staff of technically qualified individuals in the several departments of Municipal Service. These Municipal Inspectors will be in addition to the executive officers already mentioned; and will be given general supervising and controlling authority. The Inspectors' duties would chiefly lie in frequent visiting and inspection of the several branches of Municipal Service and reporting upon the same to the Executive authorities, so as to bring to their notice any dereliction of duty, any falling off in efficiency, which may have come to their knowledge. The Inspectorial staff may also be included in the scope of the examination above mentioned; though in view of the highly technical qualifications which would be expected of an Inspector, it would perhaps be as well in the first instance to leave them out of the examination system.

We may add that such an Inspecting Staff would prove most useful in securing and promoting efficiency in municipal administration, if it is made an all-India agency, and placed under the single control of the Central Municipal Clearing-House which we have suggested above.

## CHAPTER XII.

### MUNICIPALITIES AT WORK.

#### I.—The Committee system of Municipal Administration.

The actual working of the Municipality in India is conducted on well defined lines, generally following the English model. In England the Municipal Council usually divides itself into several committees, according to the number and variety of functions discharged by the Municipality; and each of these committees is given charge of some branches of municipal administration. The only committees which have been statutorily recognised and required to be instituted in England are the Watch Committee, instituted by the Municipal Corporations' Act, under the Chairmanship of the Mayor himself, and given charge of the supervision of the police; and the Schools' Committee, instituted by the Education Act of 1902, and entrusted with the supervision of the schools of the city. It is interesting to note that on this last mentioned committee there are a number of outsiders besides the aldermen and councillors. Each committee as such is regarded practically as the head of the executive departments placed in its charge; and, subject to the approval of the council as a whole, the committee has power to appoint, dismiss and direct all officers of the department. The force of party spirit is, generally speaking, excluded from the formation of these committees, which are made representative of all parties in the Municipal Council. As the committees are usually composed almost wholly of Municipal Councillors and Aldermen, and as they have the full charge amongst them of the entire city administration, the whole of the administration is made amenable and responsible to popular control. "For the people control the council, the council controls the committee, and the committees control the departments." An unwritten convention of Municipal Administration in England seems to require that the popular control for the Municipal Council should never lose sight of administrative continuity. The council in England is only partially renewed every year,—one-third only of the councillors changing place each year and one half of the aldermen changing place every three years.

The actual service of the Municipality is rendered by officers working under the general supervision of these committees. The appointments of all these municipal officers, whether of the superior or of the subordinate ranks, is, in theory, dependent upon the pleasure of the council; and as the law has nowhere laid down qualifications which should be expected of these Municipal officers, these qualifications are also determined by the council. The chief officers of an

The English practice.

Council the Supreme master in Administration.



English Municipality are the Borough Supervisor corresponding partly to the Municipal Secretary and partly also to the Municipal Commissioner; the Health Officer corresponding to the Officer of a similar designation in India, and the Inspector of Nuisances. Though the tenure of the entire Municipal Service, including initial selection and subsequent promotion, is dependent upon the pleasure of the council; and though no attempt is made so far to introduce the merit system of appointment; it is nevertheless a fact of Municipal administration in England that in practice Municipal service is in reality a permanent tenure. Partisan feeling is rarely allowed a chance in making a Municipal appointment of any rank whatsoever; and partisan feeling hardly ever interferes with the career of a Municipal official. Hence the efficiency of the Municipal Service is secured to a much larger extent than would seem possible, at first sight, from a mere consideration of the legal provisions regarding Municipal Service.

Personal of  
the Council a  
fact.

The composition of the Council has no doubt a great deal to say in thus securing popular responsibility combined with administrative efficiency in England. The bulk of the Municipal Council is recruited there from the intelligent, educated, and public spirited class of the city population. As there is no salary attached to the Council membership, no one seeks election from motives of pecuniary personal profit. The determining force is the honour and social prestige attaching to the civic Councillorship.

## II.—Organisation of Municipal Government of India.

Standing co-  
mmitttee.

The same consideration may also be said to apply in India. The Committee system is in full vogue in all the Municipalities in India. There is usually a General Managing Committee, called in Bombay the Standing Committee of the Corporation, which is required to meet regularly; and is invested with the power to supervise executive business of the Corporation, including finance. The idea of a Standing Committee, however, differs in the several Municipalities. The guiding section of the creation of committees in the Bombay Municipal Corporation permits the Corporation to refer to such committees, "for inquiry and report or for opinion" such special subjects relating to the purposes of the Act as they shall think fit.

Constitution.

The Standing Committee proper consists in Bombay of 16 councillors, of whom 12 are appointed by the Corporation and 4 by Government. These members are to retire one-half every year by rotation, the first retirement under the Act being determined by lot. The committee selects its own chairman at the first meeting in each official year to hold office for one year; casual vacancies are filled by the same authority which appointed the previous holder of the vacant post, and the vacancies caused by annual retirement are similarly filled by the same authority which appointed the original holders. Members of the Standing

Committee are entitled to receive a fee of Rs. 30/- for each meeting of the said committee, provided a quorum of six members is present at the meeting and business is transacted thereat, and provided that the member attends from the beginning to the end of the meeting.\* A curious proviso is added that no more than one fee shall be paid to any member for attendance at all such meeting in any one week.

The duties and procedure of the Standing Committee in Bombay have been summarised in section 49 of the Act. They consist chiefly in a scrutiny of the Municipal accounts and supervision of the administration. The Municipal Commissioner is invested with considerable authority for the calling together of the first meeting of the Standing Committee as also for any special emergency meeting: and he has the right to be present at any meeting of the Standing Committee and take part in the discussions there like any other member, subject to the condition that he has no right to vote or move any proposition at the meeting. Powers and Duties.

Besides the Standing Committee required by law, there is, in Bombay under section 39, a specially appointed Schools Committee consisting of 12 members, in order to give effect to the provisions as regards primary education.† Like the Standing Committee, the Schools' Committee also elects its own chairman. Other Statutory Committees (a) Schools

\* (Section 50 of the Bombay Municipal Act.)

† There is also a Primary Schools Committee. The following is a list of the corporation committees in Bombay.

Serial No.	Subject.
1	Sanitary Measures.
2	Water Supply.
3	Medical Relief.
4	Tramways.
5	Primary Education.
6	Roads.
7	Drainage.
8	Elections and Procedure Rules.
9	Burning and Burial Grounds.
10	Establishments.
11	Retrenchments.
12	Bill relating to the transfer of the improvement Trust to the Municipality.
13	Municipal Gardens and Recreation Grounds.
14	Improving the sources of income of the Municipality.
15	Scavengers pay.
16	Enquiry into certain recent incidents at the J. J. Hospital and the allied Hospitals.
17	Feasibility of abandoning the proposed Hornby Road to Ballard Pier Scheme.
18	Question of imposing restriction on the slaughter of cows and she-buffaloes so far as the city of Bombay.
19	Investigation into the development schemes hitherto sanctioned by the Corporation etc.
20	Enhanced estimate of the cost of the work of filling in the southern portion of the Storm Water Reservoir.
21	Examination of the plans and estimates for works exceeding Rs. 10,000.
22	Retrenchments Advisory Committee.
23	Enquiry into the matters connected with the construction of the Kasheli Bridge.

The main business of the Schools' Committee is to provide, out of the funds placed at its disposal, for accommodation and maintenance of the primary schools vested wholly or partly in the Corporation, as well as for the general promotion of primary education in the city. As a consequence of this authority given to the Schools' Committee, that body is entitled to appoint and remove masters, teachers and other persons maintained out of the funds of the primary schools under the Schools' Committee; and generally to direct and control the instruction given in such schools, as well as the terms and conditions of the instruction. Under section 62 (B) of the Act, if Government makes primary education free, with or without compulsion, in the city of Bombay, then a grant amounting to one-third of the difference between the cost annually incurred by the Corporation after the primary instruction is made free or compulsory, and the cost so incurred in the year immediately preceding the day on which such measure comes into effect, shall be paid by Government to the Corporation. And if subsequently Government adopts any general policy in regard to primary education and financial liability for such education, the Corporation should be entitled to participate in any benefit resulting from such a change in policy to the same extent as any other city Municipality, as regards any increase in expenditure owing to the adoption of such policy. If the corporation becomes more ambitious and makes an incursion in the domain of secondary or technical education, it is entitled to appoint, by itself or jointly with any other authority, another committee entrusted with this extra branch of the educational functions of the Corporation; and that committee will be given powers corresponding to the Schools' Committee in regard to the educational institutions in this extra branch selected by the Corporation.\*

(b) Hospitals. There is still one more committee, in the Bombay Municipal scheme of government, which it is optional for the Corporation to appoint, and which it does appoint under section 41. That section authorises the Corporation, singly or conjointly with the Government, to appoint a Hospital Committee in charge of the hospitals and other institutions maintained for the benefit of the aged, the sick, and the infirm, with such constitution, powers, and duties, as may be defined by the bye-laws made under section 461 of the Municipal Act.

These are all statutory committees which the Corporation is bound to appoint. In addition there will be from time to time such other committees entrusted with such special subjects for inquiry and report as the Corporation may from time to time determine.

Calcutta Practice.

In Calcutta the idea of the Standing Committee is radically different from that in Bombay. In the first place, there are *several* Standing Committees there as against only *one* in Bombay. Every year the Municipal Corporation

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\* In Belgium, Ghent, Liege, and Louvain have universities partly supported by the Municipality.

in Calcutta appoints, by specific resolution, Standing Committees, and delegates to them such of the functions and powers and duties of the Municipal Corporation, as the latter may think proper; and refer to them such questions for inquiry and report or opinion as they like. Usually a Standing Committee consists of not more than 12 members; and no councillor or alderman can be at the same time a member of more than two Standing Committees and District Committee.\* This district committee usually consists of all the councillors for the several constituencies comprised in each district. And any alderman or councillor living within the district, who is anxious to serve on such a committee, may also be appointed thereto. Besides these members of the Corporation serving on the district committee, there may also be associated on the district committee, not more than 3 outsiders residing within the district and elected to be associates of the district committee under rules made by the Corporation in that behalf. These associate members are to hold office for one year only. Next in order of importance may be mentioned the primary Education Committee of the Calcutta Municipal Corporation, which is appointed to advise the Corporation on matters relating to primary education in Calcutta.

Besides these statutory committees, the Corporation may appoint special committees with specified matters to inquire into and report upon, provided that such matters referred to a special committee arise in connection with any of the functions, powers or duties of the Corporation, and which are not at the time under consideration by a Standing Committee. In the other statutory committees already mentioned, as well as in these special committees, the Calcutta Corporation is entitled to associate outsiders who are not members of the Corporation but whose assistance and advice is required for the purposes for which the special committee is appointed.

We may note in passing that in Madras there are 4 Standing Committees dealing with (1) Taxation and Finance, (2) Works, (3) Health, (4) and Education. In Rangoon, too, there are 4 ordinary committees of from 10 to 12 councillors appointed by the Corporation. They are: the Finance Committee, the Roads and Buildings Committee, Water and Sewage Committee, and the Public Health and Markets Committee. There is, besides, a statutory Rangoon Education Board, consisting of 6 councillors elected by the Corporation, 4 more co-opted by these councillors, and 2 appointed by the Local Government.

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\* The District Committee seems to be a peculiar institution of Calcutta. The Corporation there has power to divide Calcutta into a number of districts each embracing a number of wards, as the Corporation thinks proper. For each of these districts they appoint a Standing Committee to be called the District Committee; and to this body are delegated such functions, powers and duties of the Corporation as the Corporation thinks fit, relating to matters affecting the districts.

Special Committees in Calcutta.

The Madras and Rangoon Practice.

### III.—The relations of the Corporation with the Committees.

Supreme authority in the corporation.

The Corporation is in all instances the parent or creating body, which is therefore supreme over all the committees whether in the case of those required to be appointed by the specific sections of the governing Act, or those constituted under the general powers or discretion of the Corporation. The Corporation is the final arbiter; and the proceedings of all committees are subject to its confirmation unless by its own resolutions, a Corporation has resolved to regard the decision on a particular matter of a committee to be final. The Calcutta Municipal Act specifically contains a section definitely excluding from the confirmation of the Corporation such decisions of Committees. The principle of outside assistance is very freely accepted in Calcutta, and restricted in Bombay only to the case of the Schools' Committee. Generally speaking, there have not been in the Municipal history of India any very grave differences between the Corporation and their committees statutory or otherwise; though there have been cases in the past of insubordination of officers statutorily required to be maintained by the Corporation. \*

Business in the Committee.

It is difficult for outside observers to say how these committees transact their business, and what precise place they actually hold in the daily administration of concerns placed in their charge. Much must needs depend on the individual abilities of the members. But it is safe to say that in all probability the real burden must be borne by one or two energetic and leisured individuals, the rest ordinarily concurring without personal reflection, reasoning, or judgment.

### IV.—The conduct of business in the Corporation.

Procedure and business in the Corporation.

The Act provides generally for the meetings of the Municipal Council in India and for the regulation of the business transacted thereat. In Calcutta the Corporation is required by law to meet at least once a month, and oftener if it thinks proper. At each meeting the Mayor, or in his absence the Deputy Mayor, presides. Sufficient notice of each meeting must be given. The list of business to be transacted at any meeting must be sent to the address of each councillor or alderman resident in Calcutta. All acts authorised or required to be done by the Corporation, or all questions coming for decision of the Corporation, are to be disposed of by a majority of the councillors and aldermen present and voting at the meeting. In the event of an equality of the votes the Presiding Officer shall have a casting vote. In Calcutta as well as in Bombay for a proper transaction of business a quorum of 20 members is required to be present throughout the meeting. And if such a quorum is not present the President may adjourn the meeting to another day and place, and at the adjourned meeting the original business may be brought up and may be transact-

\* See the History of Municipal Government in Bombay by D. E. Wacha;

ed if a quorum of 15 members is present. At any meeting a declaration by the chairman that a resolution has been carried or lost will be final, and an entry to that effect will be made in the proceedings of that meeting which will be conclusive evidence; but poll may be demanded by at least 5 members, in each case by the members present. The result of such a poll shall be deemed to be the resolution of the Corporation. By special rules made for the purpose, the Corporation may regulate the conduct of business at their meetings and also provide that certain questions must be decided by ballot instead of by open voting in the Corporation.

### V—General Character of Municipal Work in India.

In a previous chapter we have already given statistics to show the degree of interest taken by the voters in their civic affairs; and by the councillors in the task of conducting Municipal business entrusted to them. By themselves, perhaps, those statistics and extracts may not convey a clear picture to the ordinary reader unacquainted with the workings of Municipal Corporations in India. For the benefit of such a reader, let it be said that under the latest changes in the Municipal constitutions, Municipal business is provoking a greater and greater degree of attention and interest amongst the constituents of Municipal Corporations. With the expansion in the scope of Municipal business and its effect upon the life of the Municipal inhabitants directly, the attention and interest are bound to grow. Meetings of the Corporation are becoming more and more frequent, as in Bombay during the year 1924-25, when, on account of the accumulated arrears of work, the Corporation agreed, at the instance of the President, that an extra meeting be held on Tuesday at 8 p. m. making an aggregate of 3 meetings per week. And the duration of each of these meetings also lengthens, owing as much to the greater number of people wanting to speak at such meetings, as also to the growing complexity of the work now transacted by the Corporation in the premier cities in India. If one would be justified in forecasting the future from the present attendance, it seems not unlikely that, in the course of time, the volume of business coming before a Municipal Corporation like that of Bombay may be too great for that body to cope with; and that, therefore, the Corporation will be obliged to resort more and more to the committee system of transacting business, reserving to the Corporation as a whole the final right of confirmation. If the committees are selected so as to be representative of all opinions in the Corporation, and are composed of men competent as well as energetic enough to cope with the business assigned to them, there will be no danger of the business of the Corporation suffering in efficiency, or of its general authority weakening. On the other hand if this expedient is not adopted; if the principle of committee delegation is not acted upon, the Municipal Corporations may be obliged to make a greater delegation of its Corporate powers, authority, and functions to individual officers. If these are selected exclusively on the ground of merit, the course may

Personality  
and Politics in  
Municipal ad-  
ministration.

not be very dangerous to efficiency. But even so, there may be the danger of the authority of the Corporation weakening by such delegation of powers to individual officers. As a remedy, we would recall what we have already referred, in a previous chapter, to the possibilities of developing the idea of Municipal Home Rule in India, and as to how that idea can be given effect to. If the Municipal Executive comes in course of time to correspond to the Imperial Cabinet, the delegation of authority to the Chief Executive Officers with collective responsibility may not be objectionable from any point whatsoever. But until that consummation is reached, we must continue to dread to create a delegation of Municipal authority to individual officers, however intelligent and efficient, however energetic and sympathetic.

The degree to which all the authority of the Municipality will be centralised in and exercised by the Corporation as a whole will necessarily depend upon the character and ability of the members of a Municipal Council. The Chief Officers in Municipal Councils, composed of third rate men who are elected rather on account of their social position and their status than on account of their abilities and interest in the Corporation's work, will be the most dominating and dictatorial figures in the life and work of the Corporation. The practice of selecting the Chief Officer from Government Service lends colour to this apprehension; and the only solution for obviating such a usurpation of authority by the Chief Officer is to begin from the Municipal Electorate, and secure a better type of councillor than is even now commonly to be had in the more typical Municipalities of India.

## VI—A Day in a Municipal Council.

Character of  
work before the  
Corporation.

To round up our description of Municipal councils in India at work, let us add a brief narrative of work done in the course of an ordinary meeting in a Municipal council like that of Bombay. As already mentioned elsewhere, the Bombay Municipal Council meets twice a week, Mondays and Thursdays, at 3-40 p.m. A day is set apart—usually Wednesday in each week—for the meeting of the Standing Committee.\* Assuming that the day of which we are taking notice here is an ordinary day, when no special business like that of making an election of a President, etc. is on the agenda, the meeting may have before it several items of the ordinary work of the Corporation. These items vary in importance from the letter of a citizen complaining about a street nuisance to great schemes of executive work, submitted for consideration by the Municipal Commissioner following on the resolution of a previous reference to that authority by the Municipal Corporation. There may also be notices of motions or resolutions which a corporator may be wanting to move.

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\* For working off the accumulated arrears of business, at the instance of the energetic President of that year, (1924-25) the Corporation used to meet for some months in 1924 after 8-30 P. M. on Tuesdays as well.

Meetings of the Bombay Corporation as a body take place in a large central hall in the head office of the Municipality situated in the most central position in Bombay. In this spacious hall the Corporators sit round a large table, with the President at the head, the Municipal secretary on his right, and the Commissioner on his left. The Chairman of the Standing Committee sits next to the Commissioner. The late Sir Pherozeshah Mehta used to have a chair reserved for him absolutely to the right of the Secretary, and no other member dared to usurp that chair in the life-time of the veteran. Since his death, another Corporator has staked out a claim to that chair; but his claim is not considered quite so sacrosanct as that of the old Sir Pherozeshah. The other members sit in any order they like, though the evolution of strong, well-organised parties in the Municipal Corporation has given rise to the practice of members of a party sitting close together. The rules of procedure for the transacting of business are modelled on those of the Central Legislature.

Let us imagine that on the day we are visiting the council session, the items on the agenda contain :—

- (1) Complaint of Mr. Nagarini about nuisance caused by buffalo stables opposite to his residence.
- (2) Report of the Markets Committee on the demand of some residents in Ward Z for a market site and a new market in their locality.
- (3). Request of the Modern Crematorium Association for a rent free site for an up-to-date crematorium for all classes and sects of citizens.

The Secretary, as the President takes his seat and assures himself that a quorum of members is present, reads out item No. 1. No one gets up to move the question, and no one has sponsored it *ab initio*.

"Didn't you get Mr. Masterina to take up this matter?" asks the president in a whisper to the Secretary.

"No, Sir, I couldn't get into touch with him,—and then I thought it was a clear case for a Committee." whispers back Mr. Secretary.

"I move, Sir, that the Committee on Drainage inquire into this allegation," says Mr. Knight-errant indolently in answer to a telegraphic glance from the chair.

"I second." chips in Mr. Bombaywala in faithful partisanship.

"I support it, Sir, as a most excellent excuse for faineantism, which ought to be the motto of this august assembly." lolls Mr. Tairsinh from his place in his established vein of well-known humour,



"On a point of Order, Mr. President." roars Dr. Nokamna, jumping up "Mr. Tairsinh's remark is insulting to this body, Sir."

"No one can insult the Municipal Corporation, Sir. It is far above such buffoonery." Blandly replies the President stocking his generous imperial.

"This is a most partisan outlook, and I protest."

"Do you question my ruling, Dr. Nokamna?" inquires the President. The Doctor collapses before this supreme incantation of presidents-in a quandary.

"I do not dispute your ruling, Sir, as it is in my favour—bar buffoonery. But I can overlook the inability to appreciate the truth, which is stronger than fiction, and more incredible than humour, in people who can't distinguish between chalk and cheese," rejoins Mr. Tairsinh, but the chair takes no notice. Only a super average newspaper reporter perceives the precious pearl.

"There is method in his madness. Mr. Nagarini is an influential voter, and the election only six months off. He won't like the Committee reference, and I know what a horrible nuisance it is." It is a stage whisper from Mr. Motakaka, but everybody sits up and tries to look wise.

"Again I rise to a point of order, Sir," says the irrepressible Doctor "Mr. Motakaka attributes motives....."

"I am not aware Mr. Motakaka has addressed any observation to the chair." The Doctor again sits down in a blazing fury.

"I think, Mr. President, the Drainage Committee is not quite the correct committee for this complaint. I know the place and the nuisance, Sir, though I have not the honour to be a representative of that ward. I can tell you, Sir, it is impossible to live in the mornings in those houses there without a liberal use of the Eau de Cologne."

"Eau de vie would be more to the purpose." interjects the humourist of the house.

"I will not be deflected from the plain path of duty, Sir, by such irrelevant observations, but would go on to assure you, Sir, that this nuisance is a mortal menace to the health of the city, which we cannot deal with merely by a reference to our clumsy and slow-moving Committees."

"Your alliteration has been broken into, Nanamama" points out the man of wit.

"Do you move an amendment, Mr. Nanamama?" inquires the Chair. "Do you want a special Committee?"

"A special Committee will have to come, Sir; but for the moment I would be content if the injunction is added to the original proposition that the Committee report on the matter this day week to the Corporation."

The addition was accepted and the proposition was carried without a division.

The Secretary: "The Report of the Markets Committee on the Z Ward market place."

Chairman of the Markets Committee. "I move, Sir, that the Report of the Committee on Markets be adopted."

"I second" says Mr. Chanditola.

"We have not read the Report, Sir. We do not know what we are asked to adopt, Sir." Points out Dr. Nokamna.

"That does not matter. The essential thing is that we adopt the Report." Declares Mr. Tairsinh, "Let us adopt the Report first and read it afterwards."

"The Report has been in circulation for over a week," points out the Chairman.

"The fact is, Mr. President, the market in Ward Z is badly wanted....." The chairman tries to explain.

"Certainly not, if it is to contain flesh and fish stalls." Hotly objects Mr. Motakaka.

"And we agree that a suitably equipped market must be provided at the earliest opportunity." The chairman of the committee continues his explanation undeterred by the interruption. "But there are two considerations which we cannot overlook in discussing the demand. An overwhelming majority of the residents of the locality are vegetarian high-caste Hindus and Jains, who on no account will allow meat stalls."

"There is a mosque put up next door to a Temple, because the Jains wouldn't buy the site offered to them in preemption by the Police Commissioner the other day. How do they like that?" Asks Mr. Mirani. But the chairman of the Committee on Markets is a determined person who would not drop his explanation for anything.

"And then there is the question of the site. We have to acquire the land necessary for the market-place; and we know what land-prices are nowadays. The Corporation's resources would not permit us....."

"What does he say?" Asks Mr. Milkatwala, just at the moment coming into the hall from the tea-room adjoining.

"To recommend that in the present state of our finances costly sites be acquired and built upon." The chairman completes his tale and takes his seat.

"I object, Sir." Says Mr. Milkatwala. "I have some experience of the property in those parts and I can tell the house, the markets committee is missing a great opportunity. Now, if they acquire the Jesusjee Christojee land....."

"Was it Mr. Jesusji you were having tea with just now in the tea-room Mr. Milkatwala?" asks Mr. Tairsinh.

"I object to Mr. Tairsinh's insinuations, Sir." Mr. Milkatwala thumps the table before him.

"I insinuate nothing, Sir. I saw Mr. Jesusji's face in the tea-room beyond, and for the good name of this house, I must draw its attention that the presence of parties interested in matters before the house is undesirable." Explains Mr. Tairsinh very seriously.

"Mr. Tairsinh is a mighty purist." taunts Milkatwala.

"I am as much a purist when it is a matter of language in this house, as a puritan when it is a question of the dignity and integrity of this body."

"We cannot prevent people visiting their friends in the Council tea-room, Mr. Tairsinh" says the chairman. "There are plenty of the public in the gallery and all around the house to-day, as you see."

"That is for a much larger issue of general policy, whether we shall be clumsily burnt or scientifically cremated, Mr. President."

"Yes, Mr. Tairsinh; but meanwhile, logically we cannot distinguish between strangers in the house and the gallery and those in the tea-room. I, therefore, put the motion before the House to the vote."

"You are not allowing people to have their say."

"I am expediting the business before the house. Those for the motion. (A show of hands) 65. Those against 20. The Report of the Markets Committee is adopted. Next.

The Secretary: Mr. Batukia to move that "a site be assigned by the corporation at Tardeo for the installation of an up-to-date electric crematorium for the use of all classes and sects of citizens who choose to have their mortal remains disposed of in that way."

Mr. Batukia. "Mr. President, I have great pleasure, Sir, in rising to move the resolution which stands in name. It has been brought forward by me in response to a widely shared sentiment of the most enlightened citizens of this

prima donna among Eastern cities that our methods of disposing of the mortal remains of citizens are the most antiquated, offensive, and injurious to the health and comfort and decency of the city. (Hisses from the public in the gallery.) I am aware, Sir, that there is a volume of unreasoning prejudice and superstition against this proposal ("Oh, oh!" in the house and the gallery); but I fancy we shall not be wanting in common politeness to Mr. Archangel Gabriel when he comes to call us on the judgment day, if we spared him the trouble of searching every grave. ("We are not all buried, Mr. Batukia"). My friend Mr. Tairsinh says we are not all buried. I grant the grave is not the final destiny of all of us; but even in Mr. Tairsinh's company, I would not be speeded to heaven in smoke which clouds and dirties his present burning-ground. ("We don't want to be burnt") Being cremated is not being burnt, I can assure Mr. Mirani, especially if the crematorium is electrically equipped. No smoke and cinders,—no howlings and moanings. No fuss ("only fuse") and nonsense when we cross the bar. (Loud cries of fierce opposition from the public. Tremendous uproar. President's bell utterly unheeded. At last the *chopdars* clear the house of the strangers.) Sir, you have just had a sample of the volume of unreasoning prejudice I spoke of half an hour ago, though I have not spoken for ten minutes. I need hardly point out to the perspicacious members of this house that the proposition I have the honour to move does *not* make it compulsory on anybody to be cremated, if he prefers to be smoked or salted. It is a purely permissive arrangement, a mere facility for those who want to avail themselves of it. Why must there be such a passionate outburst against such a harmless suggestion? In all probability, the cremation would be so expensive that for sometime it would be beyond the ability of..... (Cries of "plutocrat," "purse-proud". Deafening din and uproar." Mr. Batukia has at last to sit down. Order is slowly restored.)

Mr. Merana "Sir, in view of the strong religious sentiment, particularly of my community, which yields to none in enlightenment and liberation, whatever Mr. Batukia in his arrogance may feel and say,....."

"Personal reflections are not in order."

"I submit, Mr. President. But, as I said, in view of the strong religious sentiment involved, I move the corporation do nothing in this matter and leave it utterly to private enterprise to supply this facility and personal preference to utilize it."

"Under the Act, it is the duty of the Corporation to provide and regulate places for the disposal of the dead." the Commissioner points out.

"It is nothing of the sort," protests Mr. Merana.

"Sir, are we discussing the motion of Mr. Batukia or the academic issue of private *vs.* Municipal enterprise?" asked Mr. Tairsinh.

"I suggest, Sir, that the issue Mr. Tairsinh has indicated in his lucid interval needs to be first settled." adds Dr. Nokamma. But the uproar is tremendous, and the session has to be adjourned without a decision.

## CHAPTER XIII.

### THE CONTROL OF THE CENTRAL GOVERNMENT OVER THE MUNICIPALITIES.

#### I.—Division of Functions.

"The fact" says Dr. Goodnow, in his work on Municipal Government, "that the city is discharging many functions which have been assigned to it as an agent of the state Government makes it necessary that the states shall exercise some sort of a control over it. The further fact that matters which are at one time regarded as of Municipal interest become, with the course of social development, of interest to the state as a whole makes it necessary that the state should always have the power of extending its control over matters which may at one time be regarded as distinctly municipal functions. Finally, the state should have a control over the financial administration of cities so far as the carrying on of that administration necessitates the exercise of the taxing and the borrowing powers."\*

Rationale of  
State control of  
Municipalities.

This threefold explanation of the retention of the central control over the government of the cities in modern communities may not be equally applicable in all the countries. In India, however, it seems to be quite in accordance with the facts of political evolution of this country to say that the city government is even now regarded rather and primarily as an agent of the state government, than as a specific and separate political entity in itself, which has come into being and is maintained because it has its own justification for its existence; because it has a special aptitude to solve a set of problems which are peculiar to the city life; because, therefore, it has its role to fill in the political organisation of the Indian peoples. There are few, if any, functions nowadays discharged by city governments in India, which were ordinarily within the exclusive jurisdiction of cities, because they were of sole importance to the cities, and which have since come to be of interest to the state as well. The state in India has been organised on the basis of complete centralisation of all authority and of all responsibility. And, accordingly, the subordinate semipublic bodies like the Municipal corporations necessarily function as the agents or delegates of the State, which therefore unavoidably retains a large margin of control over these bodies. Whether this position, in which the Central Government has a handsome margin of overriding and controlling authority over the city governments, is conducive to the growth of a proper civic sentiment is an altogether different question, into which we need not enter in this connection. The case of financial control over city governments may well be treated as a case apart.

The position  
in India.

\* Goodnow Op. Cit., page 121.

In the sound financial administration of cities is involved the welfare of a considerable section of the nation's population; and even where they do not take such far-sighted views of the duties and the responsibilities of the State, the mere overlapping of jurisdiction from the point of view of taxation is a sufficient argument by itself to demand a special control over the financial aspects of city administration. The modern state is more jealous than any of its predecessors in regard to the sources of public income. In proportion as the city takes upon itself functions or rights which would entrench upon the right of the state government to tax the citizens, the State necessarily would find its income, or the sources thereof, shrinking. To avoid this disaster,—modern states will look upon such eventualities as nothing short of disasters,—the State necessarily reserves to itself the authority to control, if not actually to direct, the financial administration of the cities, minutely regulating their powers in this behalf for raising revenues, whether from taxation or from an extension of the municipal enterprise which would result in bringing ever increasing sums in the Municipal exchequer.

## II.—The Methods of Central Control over Municipalities.

Legislative  
and Executive  
modes of control.

As a rule, the Central control is exercised in a variety of ways, through a variety of channels. There are two principal methods of such control, which have been tersely described, respectively, as the **Legislative method**, on the old English model, and the **Administrative method** on the more recent continental model. The essence of the Legislative method may be said to consist in the right of the central government, acting through its sovereign legislature, not only to bring the municipal government into being, and to alter and modify its constitution from time to time; but also to define its powers minutely and enforce the general principle that no extension in the powers of a municipality, as laid down in the original constituent Act, can be made without a specific Act of the sovereign legislature. In so far as the city government becomes or is made a public corporation, its public acts and officers are subject, in such countries, to the Courts of Law, which have a general control over the acts of all public officers under the law of the land. Similarly, too, in its private capacity, a municipal corporation is subject to the law of the land affecting private bodies; and thereby also is amenable to the jurisdiction of the ordinary tribunals. The central defect of this method of legislative cum-judicial control of municipal corporations is that every time a municipality desires the slightest possible extension of its powers and functions, it has got to have recourse to the central legislature for this extra power. This practice is not free from the possibilities of abuse; of a needless and vexatious oppression and interference with the Municipalities at the hands of the Legislature, which cannot but affect most adversely the growth of civic enthusiasm. Further, the practice of recourse to the Legislature each time an extension of the Municipal powers is desired, does not necessarily

guarantee that the powers which a municipality already possesses will be or are properly exercised. The control, however, of the State is frequently exercised, on this plan, rather and primarily in the interests of the State as such, than in the immediate interests of the civic corporations themselves. Hence, while the Legislative method of state control of municipalities fails to provide any guarantee for the regular and satisfactory discharge of its duties by a city government, the interference of the state is often dictated by motives which cannot but prove injurious to the interests of the city as such. The only way to make this method at all acceptable is to drop the antiquated, obsolete, injurious system of special legislation every time that an extension in the city's powers and functions is desired by the city's population, and to introduce in its place some general law affecting the municipalities as a whole. If such a general legislation is conceived or framed in a spirit of liberalism towards the growth and expansion of the civic ideal and enthusiasm, there is every reason to believe that the inherent defect of the legislative method of municipal control will be reduced. But even on this hypothesis, the state will not secure a guarantee of the regular and satisfactory discharge of the existing duties by the municipality; and for this purpose some kind of administrative control becomes unavoidable.

This second method of central control over the Municipal Government is more common on the Continent of Europe; though it has also been introduced with modifications in the British system of city government. The best exponent to-day of this method of state control over municipalities is Germany, particularly Prussia, and to some extent France also. In these European countries, the chief executive authority under the Municipality is usually appointed by the Central Government through its appropriate administrative chiefs. The cities have always been regarded in these countries not only as separate entities in themselves, but also as component parts of the State. It is in consequence of this outlook on the position of the city governments that the central government in these countries possesses the power of disapproving, if necessary, of the most important executive officers of the city government, as well as of dissolving the city councils themselves. Previous to 1883, the Central Government in Prussia had the right summarily to veto all acts of the city government, without benefit of appeal; and though the right of appeal has been conceded since the date abovenamed, the appeal allowed against the veto of the central authority to the city executive is only permissible in the administrative courts, as distinguished from the ordinary tribunals in those countries. The city executive, again, in the appointment of which the central authority has an important say, has a further veto on the acts of the city council; and though this veto is similarly appealable, the council appealing against such veto is severely handicapped inasmuch as the executive it appeals against is *ex hypothesi* an expert body; and the courts which hear such appeals are composed not of eminent

The Continental practice of administrative control.



lawyers only, but of administrative officers who are naturally inclined to sympathise with the executive, whose acts are the subject-matter of the appeal. A far more drastic power of control vested in these countries in the central executive is the right to insert in the city budget appropriations for doing acts, which, though normally part of the duties of the city government, have been neglected by that body, and are therefore performed, in default, as it were, of the civic authority, by the central administration. If the central executive is thus entitled to authorise any part of the civic expenditure,—even though that part relates to the so-called obligatory duties of the city's administration, it necessarily follows, that the same central authority should have power to levy and collect the necessary funds for carrying out the expenditure, authorised over the head of the administration, by the central government's representatives. The city is usually given an appeal even in such matters; and these appeals are heard by the supreme court of law, where the judges are men learned in law, and not professional administrators.

Departmental  
codes to govern  
grants in aid.

In England, too, this method of central control over local governing institutions like the cities has found its way. The central government, in many instances, while assigning considerable powers to the local entity in the several departments which were originally considered to be within the sphere of the central government, has also laid down minute codes of departmental legislation to which the local bodies must conform, if they are to participate in the benefits which the central departments of state are able to afford to the local bodies. In Education, in Public Health, in Poor Relief, there are elaborate codes of departmental legislation, which the several departments concerned have enacted under the general authority given to them in that behalf by Parliament, by which the local bodies are compelled to conform to such control and supervision as the Central Departments stipulate for, in consideration of the grants they make from the central funds to the local bodies. Judged however from the expansion of municipal functions in Britain after the adoption of the forms of central control, we cannot say that this control has stifled local spirit, or affected injuriously the municipal administration. And judged from the standard of national requirements as well, the extension of administrative control over municipalities has not, in the opinion of competent critics, resulted in any sacrifice of the interests of the state as a whole.

### III.—Government Control over Municipalities in India.

As already observed, India follows, in the regulation of its municipal life and functions, the model of Great Britain. The Legislative control is there in abundance; but the more effective form of central control is provided in the large reserve of administrative powers vested in the Central, or its representative the

Provincial government. Taking the latest Act governing the constitution and powers of the Calcutta Municipal Corporation as a model, we find that the Provincial Government has reserved to itself, first of all, the power over the Municipal expenditure, particularly for the performance of duties which may be considered as obligatory upon the Municipality. The Local Government has the power to call for any report, return or document from the corporation, and to depute any officers for investigation into the affairs of the corporation as they think fit. And if from such document, report or investigation, they find that the Corporation has not performed any of the duties imposed upon it by the Act, or has performed them in an imperfect, inefficient, or unsuitable manner, or that adequate financial provision has not been made for the performance of any such duty, the Provincial Government may direct the Corporation to make arrangements, to the satisfaction of the Government, for the proper performance of these duties, or to make the necessary satisfactory financial provision for the same. This last mentioned power of the Government also includes the right to borrow monies for the carrying out of the action directed by Government in such extraordinary measures. It would be better, however, if, before taking such action on their own hook, Government offered an opportunity to the Corporation to show cause why such an action should not be taken by Government. If no action is taken by the Corporation under these orders of the Government, and no cause shown to the satisfaction of the Government why such action should not be taken, the Government may appoint any proper person to do the needful, and give him any remuneration for the work they think proper, and direct such remuneration to be paid out of the Municipal fund.

Next in importance to this power of issuing mandates to the Corporation for the performance properly and satisfactorily of duties which are normally imposed by law upon the Corporation, there is the power of sanction of all important measures of the corporation involving the outlay of the Corporation funds over a certain amount. In Calcutta, any project costing in all Rs. 2½ lakhs, though sanctioned by the corporation and included in their budget, cannot be carried out unless the previous sanction of the Local Provincial Government is obtained for the same. The same rule applies to any material change made in a project after it is sanctioned by Government. This allows the corporation to consider a project before Government sanction may be obtained in particular cases of urgency—and they may include projects in their Budget even,—in the hope that the necessary sanction shall be obtained. But they cannot anticipate Government sanction, and carry any project into effect. In Bombay, there is, apparently no such limit on the powers of the Municipal Corporation, though as regards the control of the Provincial Government in respect of the carrying out of duties originally imposed on the Corporation by the governing Act, the position of Bombay is pretty nearly the same as in Calcutta. There are, besides, everywhere

The Calcutta model.

Previous approval and sanction of corporation projects.

definite limitations on the borrowing powers of the Municipal Corporation, not only in respect of the person or parties from whom monies may be raised on loan, as well as the restriction on the total amount of the loan that can be raised at one time, but also in regard to the object and purpose of borrowing, the terms and conditions of interest and repayment, and the provision for sinking funds in respect of the last. We shall have more to say on these points later on, in the sections of this work dealing with Municipal Finance proper. There are special provisions in the Bombay Act authorising Government to take steps for the repair and maintenance of the Velhar Water Works supplying drinking water to the city of Bombay, and charge the expenses of such steps to the Municipality. If the Corporation fails to deliver the sums required by the Government in respect of expenditure incurred under the special extraordinary steps abovenamed, the Government in Bombay have power, under the Act, to authorise and direct some person to receive from the Bank in which the Municipal Fund is lodged the sum or sums required and mentioned in an order of Government signed by one of their secretaries.

Calling  
Records.

for      Everywhere the Local Provincial Governments have reserved to themselves the power to call from the Municipal Council for any return, statement or information on any matter within their control, and to depute if necessary, an officer to make an investigation and to report to the Government on any specified question. Such a deputed officer is entitled usually to examine and inspect all the records and proceedings relating to the matter in question, and the Municipal Council is bound to place all the necessary information, documents and proceedings before such an officer.

A supreme power of control, very curiously worded, is given under the Calcutta Municipal Act to the Government, under which they can, after consideration of any representation made to them by the Corporation, which they consider to be not in conformity with the law, and the rules and by-laws in force, do or cause to be done the particular work over the head of the corporation. This apparently casts a slur on the municipality which it hardly deserves, though it must be admitted that the provision is aimed at an exigency which may never occur.

All these provisions and expedients give the Government in India an excessive amount of control over the municipal administration, which thus becomes needlessly hampered and is unable to provide for its public as it well might be expected to do.

## CHAPTER XIV.

### I.—THE MUNICIPALITY AND THE PUBLIC.

The foregoing survey of Municipal work in India reveals some outstanding characteristics of Municipal life in India, which may well be summarised conveniently in one place here. In the relations between the Municipal Council and the public of which it is constituted a representative, there is wanting, in the first place, that intimate connection and a living link which would make the Municipal council immediately and automatically responsive to the wishes of the people. Though the Municipal councils have, of late, come to be constituted as representing a larger number of the civic population, they are still not a complete mirror of the civic opinion. Once a Municipal council is elected, there is very little means, with the exception of the casual vacancies, for testing public sentiment in relation to the work of the council. It is necessary to provide some kind of a constant channel, by which the public sentiment may go on manifesting itself as regards the measures and policy of the Municipal councils. The ultimate goal of municipal evolution, as embodied in the universal or adult suffrage, even when achieved, may not suffice to provide this constant communication. We shall have to introduce some method of regular retirement every year of a proportionate number of the Municipal council, with a view every year to test the opinion of the city on the main problems and policies affecting the city.

Peculiarities  
of the relation.

### II.—The mutual rights of the Council and the Corporation and their adjustment.

The Municipal council is a representative of the civic population. The public has a right to have its wishes fully represented. Accordingly, every time that there should be a cleavage of opinion between the public and its representatives, the council as a whole, or individual councillors there, must be provided with some machinery to make public opinion prevail. The American model of **Recall and Censure** might perhaps be unsuitable in India, particularly as those devices are applicable best to the councillors who are entrusted with executive authority. The public, however, must be given some means of pronouncing an opinion upon the doings of its representatives. And to that end it may be advisable to include in the municipal constitution some mechanism for consultation of the city public on measures which provoke the strongest possible criticism and discussion in the council. The **Referendum** thus provided may be restricted if necessary to specified questions of the gravest public importance. A more direct method of making the city opinion prevail would be to give them a degree of direct **initiative** which will compel in exceptional cases the Municipal council to accept measures decided upon by the Electorate at large, if necessary, even over the heads of the Municipal council.

Need for Direct Contact.

### III.—Municipal Politics and Personalities in India.

Personal magnetism.

We have already referred in the previous pages to the absence relatively speaking of any strong party feeling in Municipal matters in India. The ideas like that of extensive Municipalisation of public service have yet hardly come into being in this country; and there are no other factors accentuating the divisions and permitting the growth of party sentiment in the principal Municipalities of India. Such parties as there are in Calcutta, Bombay, Nagpur, Ahmedabad, are rather a pale reflection of the parties in national politics than an evidence of similar developments in Municipal politics proper. The outstanding personalities also in the Municipal life are practically identical with those who dominate the national political life in India. It seems customary amongst men ambitious for public life in India to regard the Municipal arena as a conveniently small field for the first trial of their talents, which, however, when realised, would certainly be abandoned in favour of the more imposing arena of the national political life. It may be that in some rare cases like that of the late Sir P. M. Mehta, a great national personality was a still greater Municipal personality; but on the whole, since civic sentiment is unknown, since the possibilities of expanding and developing the functions of the city administration and governments are yet unexplored, it is perfectly true to say that outstanding personalities have not yet come into being in the Municipal life proper.

As for municipal politics, there also we find no great outstanding issues which could cause a definite division of opinion, and so make for the evolution of Municipal parties, though trivial issues making for transitory division are not uncommon *e.g.* the famous Caucus case in Bombay 1907-8. Without interpolating a reflection of national issues, *e.g.* the Indianisation of the personnel of administration, it seems impossible to create a party division in Indian municipalities. The beaten track is followed by almost all municipal councillors, and such great issues—as for example municipalisation of all essential services against individual proprietary enterprise now prevailing—are all but unknown or ignored in Indian municipal politics. The transport service, the lighting service, even educational provision, are either wholly individualistic organisations, or largely dominated by private enterprise. The day may not be distant when the issues such as we have hinted at may manifest themselves in the municipal politics. Already in Bombay, the private Tramway Company has practically called to a halt the municipal programme of civic improvement, until the company is permitted to raise its fares, without which they refuse to allow their transport service to keep pace with the city development. Water-supply is in India a municipal enterprise; but gas and electricity are still wholly in private hands; and so we may conclude that the new consciousness of civic rights and amenities in the extended electorates cannot but force attention on such issues, and so lead to the creation of Municipal parties in the near future.

## IV.—Education of the Electorate.

This leads us naturally to consider the most prominent feature of Municipal <sup>Ignorance of the Electorate.</sup> life in India. The Municipal electorate, even where extended, is still extremely uneducated and much too backward to realise fully the rights and duties of the local sovereign. To any one who would improve the conditions of Municipal life in India, the greatest task would be the education of the municipal electorate in all the pertinent questions of Municipal politics. This can be achieved by an active and extensive campaign of lecturing with adequate use of the lantern slides and cinema films to help visualising the various functions discharged by municipalities. We do not think any opposition could be raised to such a policy, whether applied to the general mass of the electorate, or in the milder and more orthodox form of regular courses in the schools and colleges. The citizen *to be* needs even more than the citizen *that is* to understand the work of his city council, and to see where reform or improvement of the same is desirable.

The problems of civic life are even more important to understand in all their bearings than the mechanism of the constitution and working of the civic bodies. The education of the citizens in all these respects is as urgent and necessary as it is neglected and ignored.

Who should undertake the task of such an enlightenment? Hitherto in India, we do not seem to have reached that level of municipal interest and enthusiasm, at which the candidates seeking the suffrages of their fellow-citizens will by their electioneering campaign educate the civic population into the bearings and importance of the several problems coming before the civic authorities. We have also not evolved those voluntary associations of citizens themselves, who endeavour to keep themselves fully posted in municipal affairs, who study the problems of administration, and the personalities of the administrators, and who never shrink from giving a fearless and realistic expose of the merits of each case or each individual whenever it is necessary to do so. An association of citizens for Municipal reform seems to us among the most urgent and immediate needs of public life in India. But even if such an association is formed, the task of educating the citizens to a full realisation of their civic responsibilities will not have been ended. The Government,—or the leading Municipalities by themselves—must take the lead; and if they are unable, through their existing organisation, to accomplish this; they must even try and press into their service such other organisations as the Universities to help forward the cause of civic education regarding the duties and responsibilities of citizenship. The reform and improvement of the municipal organisation and administration will follow as a matter of course when once the task of education is accomplished.

## CHAPTER XV.

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### SUMMARY OF SUGGESTIONS.

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In concluding the study of municipal constitutions as outlined in the foregoing pages, let us summarise in this place the suggestions, which, by analysis and comparison, we have made in the course of the study. These suggestions are here presented regrouped from the point of view of their mutual affinity. To begin with, for a proper constitution of a municipality the strength of each municipal council must be correlated to the basis of population. To secure the representativeness of these councils, the seats should be so distributed as to universalise the system of Single Member Constituencies. In view of the peculiar conditions of India, special facilities should be provided for voting as well as representation for Purdah women, and for the Untouchable classes. To permit such an arrangement, work rather than wealth should be the basis of the municipal franchise; and in that case it would become co-extensive with adult franchise. This would widen the basis and scope of municipal elections. Pending the general adoption of the principle of adult suffrage, the device of Proportional Representation appears to us the best calculated to remedy the shortcomings of the existing system. Representation on a communal basis must be deprecated, unless and in so far as it may be a transitional and a temporary measure. The principle of nomination by an outside authority, like a Local Government, is, in itself, objectionable; but if it is restricted to the nomination of Experts, it may serve a useful purpose, as also in the case of the Backward classes likely to be ordinarily unrepresented in proportion to their numbers, if the measure is used as a temporary, transitional measure. In selecting candidates, whether for Government nomination or for election by party organisations, emphasis should be laid rather on principles than on personal favour towards the individual candidate. Thus Government, in their selection of candidates to fill the seats reserved for nomination, must take into consideration primarily the claims of unrepresented classes and interests, and expert help to the council; while party organisations, though unavoidably influenced by party considerations, must think also of the qualifications and interest in municipal work taken by the individuals selected.

The Municipal council must be made a predominantly Legislating body for the city. In order that the legislation be in accordance with the popular demand and local interest, the principle of proportional retirement of councillors every year may be introduced, so as to keep the council in living touch with the changing current of popular sentiment. The Municipal council is at present, in the theory of law, as well as by express provisions, answerable to the Government,

In extreme cases, the Local Government can even suspend a municipality, as the Bombay Government in 1922 did with regard to such first class municipalities as Surat, Nadiad, and Ahmedabad. To transfer this responsibility from the Government to the people, and in the true interests of Municipal Democracy, we have suggested the device of a proportional retirement of councillors every year. For a more direct exercise of popular sovereignty, the American expedients of Censuring or Recalling particular officers may be tried; while the still more radical powers of Initiating specific measures of new policy directly by a popular mandate, or consulting the people by a clear reference on given questions of public policy, might be incorporated in Municipal constitutions with suitable precautions against a possible misuse.

To secure real representativeness in the Municipal council, the elections must be free. Voting must be by ballot in all elections to the council, though the council, voting on all questions of public policy, must vote openly so as to bring home to the members their responsibility to their constituents. Voting by proxy must be abolished except in the case of associations, firms and companies who may vote by their constituted representative. To the same end, devices like cumulative voting and the transferred vote might be experimented with due regard to local conditions. To educate the municipal voters in a proper appreciation of municipal problems, and so to enable them to record their votes intelligently, organisations like a Voters' League should be formed and encouraged as much for scrutinising municipal administration as to educate the electorate. Courses may be introduced in schools and colleges, and even degrees and diplomas instituted in local Universities to educate the future citizens into understanding the working of the municipal system as well as the needs of the city.

The Municipal Executive must be co-ordinated with the Legislative, in such a manner, that while the chief Executive officers should be primarily responsible to the Council for the working of the departments under their charge, they must also be members of the Council, and so in a position to initiate and influence the policy affecting their departments. The principal executive officers should jointly form a sort of Municipal Cabinet with the President as the Prime Minister instead of a mere ornamental head as he now is.

In a very few American cities, the councillors are paid for the time they devote to municipal work. The principle of gratuitous service is to be recommended, for it is merely a slight demand on the civic patriotism of the councillor. If, however, payment has to be made to any section of the municipal councillors, *e.g.* the members of the Standing Executive Committee, such payment should be in addition to the payment, if any, as ordinary councillors.



For the proper government of the municipality, especially in the everyday routine of administration, and in the case of progressive Municipalities ambitious of extending their functions more and more, the device of subdividing the municipal council into the required number of Executive committees, each entrusted with the executive and administrative charge of given departments of civic service, would be a great help to efficiency and benefit in administration. Such a Committee may be presided over by a member of the corporation, who must be one of the props of the Municipal Cabinet mentioned before. He would bring to the committee the expert knowledge of the departmental chief, and the technical experience and viewpoint of the departmental staff; while to the department concerned, he would be the mouthpiece of the popular sentiment regarding the general policy that ought to govern the department. An executive committee of this kind should be compact, if it is to do any real good at all in administration. An unwieldy body—like the so-called committees in Bombay—will have neither the sense of responsibility nor the capacity and aptitude for efficiency necessary for a proper discharge of such functions. The suggestion here made may not be easy to carry out within the terms of the Municipal Acts as they stand now; but the necessary modification would be quite easy to make if the municipalities and the public once perceive the advisability of the change.

The foregoing modifications are all suggested on the assumption underlying throughout this work, that the municipal functions should be extended far beyond the pale now assigned to them. And to do this, the ideal underlying the whole conception of municipal life and government will have to be changed. The outward expression of such a changed ideal must be found in the fundamental remodelling of the constituent acts.

Equally important with the above, is a change in the methods of recruiting and the conditions of maintaining the personnel of the Municipal service. We have recommended above, as the most satisfactory method for securing efficiency and integrity in the municipal service, the system of open competitive examination for filling all the superior posts in that service. It may be convenient as well as beneficent to pool the requirements of all the municipalities in this regard so as to have a consolidated municipal service for the whole of India. As a step further in the same direction, it may even be advisable to combine the national Indian Civil Service Examination with our suggested Municipal Service examination. The other channels now in use for the recruitment for public or municipal service—such as election, or patronage, or communal reservations, or loan from Government Service—are all objectionable as a general feature; though each may have its own limited utility, if properly safeguarded. Thus the loan of officers from the general public service may advantageously be employed in connection with highly technical departments; while election, at least in an indirect form, may be beneficent in the case of the chief executive officers forming the

Municipal Cabinet. Patronage and communal reservations in the municipal service are to be condemned in general, though as a temporary measure for the transitional period,—while the backward classes of the city are being educated to the required degree—the communal element may be allowed a restricted scope. This does not mean a special consideration shown to such classes in the ordinary competitive examinations; but that only a small number of seats for direct appointment should be reserved for such classes.

As for the actual process of appointment, the principle must be observed of the examining authority merely declaring the examinees eligible, leaving to the municipalities concerned to confirm the actual appointment. For the more effective disposal of this and like other business, we have recommended the establishment of a Central Municipal Clearing-House which should be able to have its advice and suggestions accepted and acted upon by the various municipalities. The appointments having been once made as indicated above, all subsequent promotions must be left to the municipal authorities concerned. As a consequence of our suggestion for a consolidated municipal service, facilities ought to be provided for interchange of officers between the several municipalities, so that the officers may have something to look forward to even beyond the highest post in their own municipality.

The salaries in the Municipal Service ought to be free from the prevailing vice of Public Service in India consisting in extravagant salaries. We are not against a living wage of reasonable comfort being given to the municipal employees, as to all other public employees of every grade. What we object to is the level and range of salaries far above the means of the municipalities, and even beyond the worth of the work done. The amenities of public service, such as fixity of tenure, reasonable prospects of promotions, and a decent provision for superannuation, must, of course, be guaranteed to these officers; as without them there can be no hope of efficient service or independent advice to executive chiefs.

As for the subordinate ranks in the Municipal Service, we think that the best method of securing good service is to encourage the formation of Labour Unions that would be able and expected to guarantee the modicum of technical training necessary for the efficient discharge of such duties. As an inevitable consequence of this policy, the municipality will have to recognise in its employees the right to strike, as also the principle of collective bargaining in all its dealings with such employees. In order, however, to prevent any undue inconvenience to public service, the principle may well be observed of compulsory arbitration by an independent tribunal of all labour disputes relating to public service industries.

To guarantee the proper degree of efficiency in municipal service, it would be advisable to institute a general staff of inspectors, who would belong to the central municipal organisation and so be under no dread or allegiance to any particular municipality.

In fine, as will be clear from a study of the following pages, we aim at a municipal structure and functioning which would take a more and more active part in influencing the life of the citizens in all their daily requirements.

## APPENDIX.

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### MUNICIPAL REFORM IN BOMBAY.

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The text of the bill to amend the Bombay City Municipalities Act of 1901 to be discussed by the Bombay Legislative Council at the forthcoming session at Poona is published in the "Bombay Government Gazette" of July 10. The following is the statement of objects and reasons of the bill :—

The principal object of the bill is to provide a more adequate basis for municipal administration in the larger cities of the Bombay Presidency. The Bombay District Municipal Act 1901 applies to all municipalities in the Presidency, except the Municipal Corporation of the City of Bombay, and it has been felt, each year with increasing force, that the same Act cannot adequately provide for the needs of the larger and the smaller municipalities. Under the existing Act, save where a Chief Officer or a Municipal Commissioner has been appointed, the executive administration centres in the managing and other committees. This may still be possible in the smaller municipalities; in these the president may still be able to supervise and control the municipal staff and the municipal committee to perform the functions of an executive body. But in the larger cities, the Municipality can do little more than determine questions of policy: committees can exercise only a general control over the municipal staff. The executive powers must be exercised largely by the permanent staff: it is necessary therefore to define with greater clearness the powers of the executive and to secure proper supervision and control by the appointment of a responsible executive officer, with clearly defined statutory powers, at the head of the municipal staff.

This executive officer is to be called the "Chief Officer" as the conditions of the appointment are largely similar to those of the officer of the same designation in the existing Municipal Act. He is to be appointed by the Municipality but he can only be removed from office by an adverse vote of three-fourths of the whole body of councillors. His duties and powers are clearly specified in the various sections of the Act; but generally speaking the executive power centres in him.

**Process of Devolution.** This process of devolution further extends to the municipal committees. The main committee has been designated the Standing Committee as its functions approximate more to those of the standing committee under the City of Bombay Municipal Act, 1888, than those of the managing committee under the Bombay District Municipal Act, 1901. While

larger questions of policy are decided by the Municipality, questions of lesser interest are disposed of by this committee which also exercises a general control over the executive as a court of revision in respect of orders of executive officers and as an authority whose previous sanction is required to the exercise of executive powers in matters of importance.

Two further changes of major importance have been introduced in the bill as compared with the existing Act: the Legislative Council franchise has been adopted as the main basis of the municipal franchise and the maximum number of nominated members has been reduced to one-fifth. This latter merely enacts the policy which Government has followed in recent years. The opportunity has also been taken to introduce provisions which experience has shown to be necessary or which have been recommended by the committees and officials who have had the subject of municipal administration under review in recent years. These provisions are noted in the remarks under the various sections. In other respects, the bill proceeds substantially on the lines of the Bombay District Municipal Act, 1901.

# BOOK II.

## CHAPTER I.

### MUNICIPAL FUNCTIONS.

#### I.—General Survey of Municipal Functions.

A survey of Municipal life in general and an estimating of the degree of interest taken in it by the civic population show us that the most important factor in Municipal life is the functions undertaken and discharged by the Municipality, Scope of  
Municipal  
Functions. Dr. Albert Shaw in his work on the Municipal Government in Continental Europe says, "There are, in the German conception of the city government, no limits "whatever to Municipal functions."\* And in another connection on the same subject he observes, "The German city holds itself responsible for the education of all; for the provision of amusement and the means of recreation; for the adaptation of the training of the young to the necessities of gaining a livelihood; for the life of families; for the moral interests of all; for the civilising of the people; for the promotion of individual thrift; for protection from various misfortunes; for the development of advantages and opportunities in order to promote the industrial and commercial well-being and incidentally for the supply of common services and the introduction of conveniences."†

But in a large number of cases the functions discharged by Municipalities Determined  
by History. in the most advanced countries are the result, at least as much of history as of the perception of current contemporary needs and ideals of city life. In two notable instances, at least, there are functions discharged by city governments in Europe and America to-day which are purely the result of a particular social organisation in the past which leaves its mark even on the present; and which are not paralleled by similar functions of Municipalities in other countries. These are the cases of **Police protection** for the city, and the **relief of the poor in the city**. The former is a relic of the days when each city was an independent republic in itself; and was therefore obliged, for its own protection, to maintain its own defence organisation. (a) Police. When the provision for defence in general came to be made on a national scale, and the Central Government took up that part of the city

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\* Dr. Albert Shaw. Page 323.

† Do. do. „ 329.

work exclusively for itself, the city militia changed its form into a police organisation. And hence it is that in many European countries the modern police is primarily a city force. The needs of centralisation and co-ordination and the ramifications and variety of modern crime led to the city police being brought in course of time in some respects under central control. The Home Office in England has always maintained for itself the power to appoint a Chief Constable of a Borough; and thus they have succeeded in acquiring control over the entire police force of the country, though in organisation and administration it remains a city force.

(b) Poor Relief.

The other instance of poor relief being primarily a charge on the city government is the result of the historical influence of the mediæval Church, and still more largely of the mediæval civic organisation. The Church was all throughout the Middle Ages the only organisation for the relief of the indigent, the aged and the ailing. But when church lands began to be nationalised, this part of the duties of the church had also to be taken over by the State; and the State got itself excused by throwing this duty upon the Municipal organisation. In the Municipalities, there already were the town gild, or the Gild Merchant, in which was vested the government of the town; and the various Craft Guilds, which were a sort of a trade union for each of the crafts settled within the city; and in which masters as well as men were combined against the consumer. Each of these guilds had its own provision for the relief of those of its members that were unemployed and needed help, as also for the families of those, who, having died prematurely, had been unable to make any provision for their wives or children. All these duties were already being regularly and systematically discharged by City Corporations, and it was quite easy for the central state, when it took over the lands of the Church, to pass on the obligation of relief to the poor to the local governing units like the towns.

Determined by Changing Ideals.

Besides poor relief and the protection of the city, the city government discharges a number of other functions, which may not have quite so conspicuous a history as in the cases already mentioned, but which are none the less equally important. These other functions of modern cities relate to securing, in the best possible manner, the convenience of the city public and their education and health. Public health, public convenience, public education, and public safety are everywhere considered to summarise the chief heads of municipal governmental business. It is in the interpretation of each of these groups of duties, that the scope lies to the most ambitious city corporation for giving effect to its aims and ideals.

## II.—Modern basis and co-relation of Municipal Functions.

Definite Purpose governing Basis of Functions.

Whatever may be the historical origin of the functions discharged by the advanced Municipalities of to-day, there is or can be found no doubt that a definite purpose and a conscious plan is underlying the extent and nature of the

functions of Municipal Government. If the functions of Municipalities are considered simply as so many isolated heads or groups of duties without any interconnection amongst themselves, or without any definite purpose behind them all, the task of civic government would be most arid. Municipal organisations would then be merely a fifth wheel of the coach. As a matter of fact, however, whenever the science of public administration is carefully studied and elaborated, there is no difficulty in discovering a central purpose underlying all Municipal governmental activities and city life as a whole. Considered as a corporation in itself, with a definite relation to the life of the peoples inhabiting it, the city government can, by its well organised activities, materially promote the welfare of the city population. It is dangerous in the extreme to insist upon catch-words, particularly when we are discussing such complex entities.

It is accordingly unnecessary as well as illogical to try and compress the entire view-point of a city government in convenient labels like Municipal Socialism, or Municipal Laissez-faire. Basing ourselves on the central ideal of city life as consisting in all possible endeavours to promote the welfare of the civic population, we find that Municipal functions can, broadly speaking, be divided into two main groups, (1) those that can be made largely self supporting from the point of view of expenditure, or even of producing some surplus revenue to the city government; and (2) those which could not possibly be so considered but which nevertheless must be performed, as without them there would be no hope of promoting the welfare of the city. The real service of this latter kind of functions is exceedingly difficult to measure in concrete terms easily intelligible to the man in the street. The benefits from these functions,—which embrace public instruction, public protection, including therein the health and the morals of the citizens and the relief of the indigent,—are incalculable even when they are realised; and a fulfilment of these functions is generally counterbalanced by some corresponding gain, though not necessarily nor invariably in terms of money. Besides they are the very foundation-stone of civilised life. On the other hand, a group of civic functions, which is rapidly growing in scope and importance, and which has the added recommendation of being self-supporting or productive of some surplus revenue to the state, has an equally important place in the civic life; and its justification may be found in monetary gain as much as in the real service rendered thereby. In all instances when a city has embarked upon the discharge of such functions or any of them *de novo*, it commonly undertakes the task not so much because of the monetary advantage expected as because of the additional special benefit derived for the peoples of the city from such an extension of civic functions. If a city, for example, decides to take over its means of transit, the possibility of monetary gain from such a step does not and must not weigh so much in the calculation of the city fathers, as the service such an enterprise will render to the re-distribution of civic population, with a view to relieve congestion and pro-

Two Groups  
of Municipal  
Functions.



mote the health and happiness of the people. In this latter aspect, even such a function, which has no doubt a side of monetary gain to it, becomes homogeneous with those other functions enumerated in the first group, in which pecuniary gain is no consideration, while human service is everything. The same may be said of a number of other functions from which a Municipality may be deriving monetary advantages. The spectacular aspect of monetary gain is apt to overwhelm the ordinary citizen, who calculates the benefit of all functions discharged by the municipality by the profits the city derives from them. But the extension of civic enterprise in our own days has, as we have seen, a far deeper meaning; and considered in reference to the general ideal of civic life, it has a much more consistent justification than mere monetary profit.

Civic Service  
the Predominant  
Factor.

At the present time, then, we would be justified in considering that the Municipal functions are all arranged with a view to render the utmost possible service to the civic community as a whole in any department of life in which the civic entity can render a more prompt, more immediate, more effective service, than either the more unwieldy unit of the Central State, or the smaller and therefore less efficient unit of the individual. Since the functions commonly discharged by the Municipalities have such immense bearing upon the general welfare of the community and its happiness, it would be sinful waste to allow the pecuniary profit ordinarily resulting from such activities to be swallowed up by private individuals from the discharge of such functions. For not only would such functions, if left to private profiteering enterprise, be discharged with a view exclusively to monetary gain obtainable from such enterprise, and without any consideration of the real object of the service to be rendered in civic development as a whole; but it would result in the evil of under-paid, under-fed, ill-housed and ill-clad workers swelling the population of the city, adding to the havoc of its filth and dirt and vice and misery, and to the burden of poor relief indirectly if not directly, which will never be fully realized.

### III.—Comparison of Municipal functions in India with those in the West.

Civic Ideals  
vs. Administrative  
Exigency.

Municipal functions in India, like the organisation and disposition of its Municipal life, in India are based on the accepted principles governing the Municipalities in the West. They are designed to promote civic welfare, to improve the amenities of city life, as much as may be in their power. The exigencies, however, of the Central Government in India,—and its peculiar constitution, composition and sympathies in relation to the people it governs,—have contributed to the exclusion from the scope of civic enterprise of many functions, which are ordinarily regarded in Western cities as the normal business of the city. Thus, for example, the organisation for the protection of life and property is kept wholly outside the scope of Municipal activities in India, the police being considered, peculiarly and exclusively a governmental function in which the city authorities proper

could and should have no say. It is not because towns in India had in the past no share in providing for their own local defence against the elements of disorder and misrule within themselves, that the police functions are withheld from Municipalities, and vested in the Provincial governments. It is rather "reasons of state" that contribute towards this position of the municipalities in India. Similarly, too, accidents of very recent history in India have tended to the extension of civic restrictions in other directions also, owing not merely to a conflict with the ideals of public life whether in the city or in the state at large, but owing rather to the entrenchment of certain notions as to the relative utility and justice of private and Municipal enterprise that prevents such an extension of Municipal functions. On the whole, then, it would be correct to say that Municipal functions in India, interpreted in a rigid restrictive manner, comprise only those primary activities relative to Public Health, Public Convenience, Public Safety and Public Instruction, which have the most direct, intimate, immediate bearing on decent civic life ; but which are made to steer clear, under the pressure of their official leading strings, of that growing variety of derivative or secondary functions, which are however equally important in making life not merely tolerable-but also beautiful, not merely livable but also loveable. The study of these functions attempted in the following pages does not, indeed, indicate a total absence of secondary functions of a profitable as well as a serviceable character ; but it shows quite convincingly that such functions are yet in the dim back-ground of Municipal consciousness, which naturally prevents their utility and importance being fully-demonstrated.

## CHAPTER II.

### MUNICIPALITY AND PUBLIC HEALTH.

#### I.—Scope of the Chapter.

##### Plan of Study.

Amongst the most important functions of Municipalities to-day may be considered, those in connection with the care of the **public health**. We may study the work of Municipalities in regard to the public health within their Jurisdiction under two main heads. (1) We shall consider what Municipalities can and should do in this direction ; and (2) describe and review what is actually being done by Municipalities in the several countries as regards the care of public health within their areas. These two may again be sub-divided for convenience of study into :—(a) measures preventive of disease, (b) measures curative of disease when actually disease occurs, and (c) measures to promote public health and reduce the possibility of disease. The second division of the Municipalities' activities in regard to what is actually being done for the public health may also be analysed in the same constituents, and studied accordingly. These measures and considerations refer all to the bodily health of the community. We must not ignore that the civic community usually has its own and highly peculiar problems regarding the moral health of the community as well ; and a Municipal Corporation cannot consider its duty done if it ignores this great if somewhat intangible responsibility. We must, therefore, in dealing with public health in cities, lay special emphasis on this aspect of the question.

#### II.—Origin and Nature of the Municipal problems of public health.

##### Indices of Public Health.

In speaking of the justification of a Municipality at all in the previous book, we have laid emphasis on the highly peculiar character of the city populations and their multifold and various problems. It is a fact worth noticing that in no department are the problems of city life so peculiar as in those dealing with public health. Mortality in cities is usually high, in India at least ; and particularly so in connection with children and infants. Cities are also more liable to visitations of epidemic diseases and their virulence is relatively much greater in the cities when such epidemics break out. Cholera and typhoid, and the great white plague of pulmonary tuberculosis, may indeed be regarded not unjustly as the peculiar scourges of an incensed Providence, justly angered by the constant violation of his laws in the ungodly aggregates of humanity known as cities. Infectious diseases, again, like small-pox, or syphilis, or skin diseases of all kinds, levy a much greater toll from townspeople than from villagers. And there is a whole

host of special diseases peculiar to the environment and conditions of living of a particular town which must all be specially studied if the burden imposed by them is to be reduced.

What are these diseases due to? Why is their virulence greater in cities? Disease and Density. How is it that their frequency is more considerable and remarkable in the town than in the country? Several explanations may be offered. The one most commonly given is that which establishes a connection between disease and density of population. Cities are necessarily large congregations of numbers of people in very small areas; and the mere effect of such aggregation creates not a few of the diseases and difficulties connected with civic health. The question of water-supply and food supply for such large masses of humanity, and the difficulty of guaranteeing the necessary degree of purity and even sufficiency are the most prolific parents of disease and insanitation in cities. The wear and tear of the nerves and tissues of human organism characteristic of modern city life, and due in a great measure to the heavy strain of severe monotonous work under specially harmful conditions, makes life in the city productive of many ills that could well be avoided in the freer atmosphere and easier life in the country. There are, besides, peculiarities of geographic conditions which also bring their own group of physical troubles in the shape of unhealthy areas that, until they are filled and reclaimed and drained will continue to levy a heavy toll on humanity inhabiting round about these areas. Finally there are special temptations of civic life—inevitable, perhaps, but none the less productive of considerable ills to the mind as well as the body of the city people, and the irony of it all is that these evils affect indiscriminately the guilty as well as the innocent,—perhaps the latter even more than the former.

### III.—Mortality in Town and Country. Progress in towns.

Though City life is thus peculiarly productive of its own dangers, there are compensations as well inherent in a properly organised and consciously governed Municipal life. Improved Conditions in Towns. It is possible, by collective effort and scientific enterprise, to counteract effectively and reduce substantially the horrors of some of the greatest scourges of modern city life; and there are cities which have actually succeeded, by an intelligent use of the powers that his extending knowledge has conferred on man, in so entirely turning the tables that city life, taken all in all, has become with them not only more attractive but also more healthy. Take the most prominent index of healthiness. Greater attention to cleanliness, proper disposal of civic waste, due regard to sanitation and water supply, and special consideration of purity in food and drink make the modern city much more healthy than was the case even half a century ago. And the possibility of still further improving the public health of cities is not exhausted yet. Ever since Louis Pasteur laid the foundation of our present knowledge of bacteria, the war against these insignificant but not less fatal enemies of mankind has been unceasing and relentless.

The existence of micro organisms had been known for many years before Pasteur's discovery; but it was Pasteur's discovery which really showed how effectively science could combat the effects of the diseases caused by the ravages of bacteria and prevent their very inception. The story of epidemics—like as the bubonic plague, small-pox, scarlet fever, or cholera—is perhaps the saddest chapter in the story of man. But the achievements of our generation and the prognostics of to-day make us feel far less uneasy than our progenitors in the presence of these diseases. Anti-toxin and inoculation are getting to be more and more common; and so city life where such precautions or aids are the most easy to obtain, has become far more healthy than country-life, and certainly more than in the cities themselves half a century ago.

Fall in Death-  
Rate.

A reduction in the death rate of human aggregates is a sign of the progress of civilisation. But though country life lacks excitement and nervous strain which are the peculiar features of city life, though in the former there is less apprehension of contagious or infectious diseases, it lacks necessarily in efficient, effective and prompt medical advice and service, which go a long way to counteract or check the progress of disease. It also lacks sound sanitary regulation, well equipped hospitals, nursing homes, sanatoria which are all indispensable for the promotion of public health. The very fact that public health in the city is exposed to great dangers has brought about a deeper and deeper study of the factors that affect health and has given rise to more and more strenuous efforts for the elimination of all those dangers which make civic life in backward countries a curse. If we cast a glance at what has been achieved in other countries by way of a reduction in the death rate, whether generally considered or whether considered with reference to any specially virulent diseases such as typhoid, cholera or tuberculosis, we would easily find how the progress of civilisation can be measured by the reduction in mortality. In a single city of Berlin, which has kept a good record of its vital statistics since 1721, we find the decline in death-rate from over forty per mille at the beginning of the 18th century to 15.45 in the period 1906-1909. The following table of comparative death rate from the time when the civic health came to be studied specially illustrates the success of human effort in eliminating—or at any rate reducing—the havoc caused by some of the most common and yet most powerful enemies of mankind.

TABLE 1.

(Decline of Death-Rates of Leading Cities in Various Nations. \*)

				Cities of Germany.					
				1881	1886	1891	1896	1901	1906
				to	to	to	to	to	to
				1885	1890	1895	1900	1905	1909
Berlin	..	..	..	26.5	22.4	20.5	18.1	17.0	15.4
Hamburg	..	..	..	25.2	25.3	24.2	17.3	16.3	15.0

\* "Modern Cities" by Pollock and Morgan, p. 129.

			1881 to 1885	1886 to 1890	1891 to 1895	1896 to 1900	1901 to 1905	1906 to 1909
Dresden	..	..	25.0	22.1	20.6	19.0	17.6	14.9
Munich	..	..	30.4	28.3	25.8	23.9	21.0	17.9
Breslau	..	..	31.3	28.8	27.4	25.0	23.7	21.1

## Cities of the British Isles.

London	..	..	20.9	19.7	18.8	18.5	16.1	14.4
Edinburgh	..	..	19.6	19.7	19.7	19.0	17.3	15.7
Glasgow	..	..	26.0	23.1	22.8	21.2	19.5	17.9
Dublin	..	..	30.6	29.5	28.8	28.9	24.9	23.5
Belfast	..	..	24.7	24.4	25.1	23.4	20.8	19.8

## Cities of the Netherlands.

Amsterdam	..	..	25.1	22.4	19.2	16.7	14.7	13.3
Rotterdam	..	..	24.2	22.0	20.8	18.0	15.6	13.9
The Hague	..	..	23.3	20.8	18.7	16.2	14.4	13.5

## Cities of Italy.

Rome	..	..	26.8	25.9	21.4	18.1	19.8	18.7
Milan	..	..	30.3	30.4	27.4	23.2	22.1	20.1
Turin	..	..	27.2	23.5	21.6	19.8	19.6	18.1
Venice	..	..	28.3	28.0	25.1	22.8	22.2	21.3

## Other European Cities.

Paris	..	..	24.4	23.0	21.2	19.2	18.	17.7
Brussels	..	..	23.4	21.2	20.2	17.2	15.2	14.2
Vienna	..	..	28.2	25.1	24.1	21.1	19.1	17.3
Prague	..	..	32.7	29.6	27.1	24.4	22.6	19.6
Budapest	..	..	31.5	30.8	25.5	21.6	19.8	19.4
Copenhagen	..	..	22.3	22.3	20.2	17.6	16.1	15.4
Stockholm	..	..	24.3	21.2	20.	18.2	16.1	14.8
Christiana	..	..	19.9	22.3	19.	17.5	15.3	13.5
St. Petersburg	..	..	32.8	26.8	25.3	24.6	23.5	25.7
Moscow	..	..	33.3	33.6	29.2	28.7	26.6	27.7

## Cities of the United States.

New York	..	..	27.5	25.8	24.6	20.3	18.9	17.4
Chicago	..	..	21.5	19.5	20.6	15.2	14.2	14.4
Philadelphia	..	..	22.3	20.6	21.1	19.2	18.1	17.5
Boston	..	..	24.9	23.5	23.6	20.9	18.8	18.7

The greatest danger to humanity, to the progress of civilisation, to the continuation of the race and its work, is to be found in the heavy mortality of infants. This, however, has been reduced in Berlin from over 305 per thousand children born in 1882, to 196 in 1907, or by more than 40% in 25 years. But mortality whether of adults or infants is a complex of many contributories, which need to be very particularly and carefully studied if these insidious enemies of mankind are to be effectively overcome. Disease, its treatment, and extinction would only be possible if we understand the factors that cause it.

## IV.—The chief factors affecting public health in cities.

Causes affecting Death-Rate

If we are right in assuming the death-rate in cities to be a sound reliable index of the degree of health enjoyed in the cities, we must inquire as to the factors on which the rate of mortality in these cities depends. There are some very common delusions on this point that need to be briefly exposed and disposed of. It is a mistake in the first place to think that civic mortality depends upon the growth of civic population. There are cities, neither few in number nor insignificant in their population, in which, over a long period of years, the average annual death-rate may be actually shown to have declined even though the population has grown. London is the most striking illustration. Its death-rate is still much higher than that of many other similar cities; but, compared to the past, it has fallen as the population has grown. The fall may be due to the inclusion in the London area of healthier suburbs, or to a combination of a number of measures of promoting public health which we need not consider at this stage. The fact however remains that the death-rate does not depend upon the mere size of the population. Nor does it depend either on nationality and race or on the age of the city. Cities inhabited by the same race of people differ greatly in their relative mortality; and the older cities which have adopted newer methods of public health improvements within their areas have displayed remarkable developments in reducing civic mortality. Even climatic factors affect civic health to a very small extent. The science and ingenuity of man has gone a long way to counteract the effect of heat or cold, so that he suffers nowadays very little from either. Our houses are built to-day in the polar and sub-polar regions with adequate provision for warmth to neutralise the effects of a rigorous winter. In the time of the Crimean war the then Czar of Russia declared in the hardest moments of the struggle that the winter months of January and February would be his most effective Generals against his enemies. To-day Generals January and February may be said to have been annihilated. In hotter countries like our own, electric fans and iced drinks are effectively mitigating the rigours of the season and of the climate. Dress, in style as well as material, varies according to climate, and so helps to provide additional safeguards against such hardships. While it may be true that climatic conditions affect the vital statistics of the poorer sections of humanity, the richer ones are practically free from the effects of climate considered in reference to their health. And in so far as municipal consciousness has extended the benefit of such improvements to all sections of the population regardless of their pecuniary resources, the entire population may be said to have obtained a degree of immunity from the rigours of the climate unknown to our forbears altogether.

Main Factors affecting Public Health.

The main factors, therefore, which really affect civic health are : water-supply and drainage, and the general management of the city, as also the economic condition and social habits of the people. Improvements in water-supply and drainage

conditions have been studied clearly and employed fully since hardly more than a generation; and yet they have affected the civic death-rate too clearly to be ignored. While good housing conditions and the proper management of the city as a whole have a less obvious but not a less effective bearing upon general mortality in a city, poverty or economic condition is the one governing factor, whose real importance is even now unperceived. The bearing on health of social conditions such as unduly early marriages, or the use of alcoholic beverage, etc., though beginning to be studied scientifically, is not yet realised in its full importance.

#### V.—Measures preventive of disease.

A study of the causes and origin, so far as they can be traced, of ill-health in the city is necessary if we are to design proper remedies to annihilate once for all these enemies of mankind. Without a knowledge of the causes, the remedies may tend to be inadequate or insufficient. The question as to what a properly organised municipality can do towards the care of the public health in the shape of preventive measures has occupied the most earnest attention of many social thinkers and Municipal workers. Though it does not directly seem to be a preventive measure, still the spread of the necessary information on the nature and treatment of certain common diseases goes a long way in preventing the very inception of such diseases. For example, a knowledge of the symptoms and treatment for malaria, or of influenza, would save a number of cases that in the absence of such knowledge would succumb to the continued ravages of these diseases, and the consequent weakening of the constitution. The evil caused by these diseases is the more harmful, inasmuch as though the first attack may not be fatal, the weakening of the system resulting from a repetition of the attack may so undermine and reduce vitality as to make an organism most easily prone to contract other diseases and succumb. It is of the utmost importance that a general knowledge of hygiene, and the common methods of treating as well as preventing some of the most ordinary maladies in great centres of population, should be inculcated as extensively as possible. The inclusion of elementary hygiene in the organised instruction of every citizen would scarcely suffice. Handbooks with ample information and illustration in the simplest possible language, and lectures amply illustrated with lantern-slides constantly given from different standpoints, should be amongst the most common features of civic life, by way of preparation against its most frequent enemies.

Remedies to  
Combat Dis-  
ease.

Next in importance to the spread of information and knowledge as to the nature, symptoms and treatment of such diseases, the most important preventive agent would be an abundant supply of the ordinary drugs that have a direct effect upon such diseases. Wherever possible, such drug-supply should be municipalised and offered free, so that poverty would not be a hindrance in the way of

Free Supply  
of Drugs.



maintaining the ordinary vitality. If a proper knowledge is imparted for the timely use of such drugs and their action upon such diseases, it is of the utmost likelihood that a free or ample supply of such medicines would prevent and cure these maladies when they occur. Prophylactic treatment of an inoculative kind is another such preventive measure, though opinion is by no means quite unanimous that inoculation is possible against some of the commonest and the deadliest diseases. Vaccination, for example, has been almost fanatically advanced as a definite preventive of small-pox; and yet medical opinion is by no means unanimous—nor is our experience conclusive—that vaccination unquestionably and unexceptionally results in a total prevention of small-pox. In any event, to the extent that any such preventive measure has been by experiment or by experience ascertained to have a clearly preventive effect, it must be rendered as easily accessible as possible for the sake of the general health of the city.

## VI.—Water Supply and Sanitation.

Sources and  
Purity of Wa-  
ter Supply.

Amongst the most effective measures preventive of diseases must be included adequate water supply and an efficient system of collection, removal and disposal of waste from the cities. Water-supply in cities has to be considered from a variety of standpoints. The source of water-supply for great cities and their suburbs offers a number of difficulties, while the uses to which the water may be put is another fruitful occasion for special consideration. As regards the first, it may well be said that the problem of an adequate water supply, viewed from the standpoint of its source, is chiefly one of Geography.\* There are, generally speaking, four main sources of water supply for a city, viz., ground waters or wells, lakes, specially constructed, water sheds or reservoirs, and rivers. The geographical situation of a city on the banks of a large river, like London on the Thames, or Paris on the Seine, or Delhi on the Jumna, or Calcutta on the Hoogli, is not by itself sufficient to solve the water problem. For the river-water may be and often is polluted by the sewage and refuse from other cities higher up the stream being drained into the river. The water then becomes unfit for the use of the city situated lower down. Thus a complication into the main problem of a geographical nature is introduced by the sanitary problem of the purpose for which water is required. The requirements of the water-supply problem of a city are: that the supply from whenever obtained should be sufficient in quantity, not only for the ordinary purpose of domestic and industrial use, or for the civic sanitation involved

\* The geographical problem of securing sufficient water-supply really reduces itself to a question of cost. While the city of Glasgow obtains its water-supply from Loch Katrine 34 miles away from the city, high up amongst the hills, the city of Los Angeles has to bring its water-supply from the Owens River 260 miles away through an aqueduct at a cost of nearly 30 million dollars. Though Paris is situated on a great river it has its water-supply brought through an aqueduct over a distance of 50 miles; while London water-supply is in spite of its situation on the river similarly brought over a distance of 50 miles. In the case of Bombay, water has to be brought over a distance of 55 miles from specially constructed reservoirs high up in the Western Ghats. The New York water-supply is brought over a distance of 120 miles, and the cost of the stupendous reservoirs and aqueduct is nearly 200 million dollars equal to about 60 crores of rupees.

in the watering and cleansing of streets, but also for use in such emergencies as a conflagration. Good water supply intended for civic use should be free from colour or turbidity, taste or smell. And the presence of any of these characteristics will make that water unsuitable for both industrial or domestic use. Good water must also be neither too hard nor too soft, and have no objectionable chemical salts in solution. Above all, city water supply must be pure and free from pathogenic organisms. It is too much to expect that all these qualities can be secured to the fullest possible extent in every system of water-supply for a great city. But the inherent defects or impurities of natural as well as artificial water-supply can be and are nowadays removed by more or less costly plans for filtering the water thereby guaranteeing its purity. The connection between good and sufficient water-supply and disease is now too clearly established to be doubted. The chief maladies that have been connected with bad water-supply are those of typhoid and cholera, and the experience of many cities in India as well as in Europe shows conclusively that such fatal maladies can be practically abolished if only proper attention is paid in advance to the purity of the city's water-supply. Where filtration would be difficult water may be rendered harmless to health by sterilisation which would kill the pathogenic bacilli even if it does not eliminate them.

Applying these requirements to the sources of water-supply, we find well-water to be cheap and safe, as there is little or no danger of contamination of underground water. But for modern cities well water can never be quite sufficient; while lake water, is accessible only to the cities situated near them; and even is not always reliable or safe because of the great possibility of pollution. The problem of the water-supply, is further complicated by the question as to what is a fair average consumption to keep the city population in reasonable health and comfort. In Europe 40 gallons per head of populations is considered a fair average for city people, though in some cities in France, Italy and Germany it is as low as 20 gallons, while in Glasgow it is nearly 70. In America the average is much higher over or 200 gallons per head per day.\* We shall consider the system of water-supply for India in the next chapter.

Well-Water.

There are three channels for the consumption of water in a city. Water is <sup>Uses of Water.</sup> needed for **public use** such as watering the streets extinguishing conflagrations, flushing sewers. It may be used for **industrial purposes** for dyeing, bleaching and washing establishments, tanneries and breweries and lastly it may be utilized for **domestic purposes** like bathing and drinking and sanitary appliance. In each of

\* Says Dr. Munro, "The average amount of water daily supplied to European cities is about 40 gallons per head of population. In some cities of France, Italy and Germany, it is as low as twenty gallons per capita daily; in Glasgow it is nearly 70 gallons. In the cities of the United States, however, the daily per capita consumption is very much higher; rarely is it less than one hundred gallons, and some cities use as many as two hundred gallons per capita daily" op. *Principles and Methods of Municipal Administration* p. 132-3.

these cases there is a likelihood of some waste. On a rough average 10 gallons per head for public use, 10 for industrial uses, and 20 to 40 for domestic use may be regarded as not at all excessive, especially if allowance is made for waste resulting from leakage in the mains, or from defective plumbing or household negligence and wilfulness. It is possible to prevent waste, but the equipment required is so elaborate that the extent of money and labour involved in the appliances for prevention make Municipalities indifferent.

As to the principles and methods of financing the construction of water works for municipalities, or charging for the distribution of water, these would be more appropriately discussed, we think, in the section of this work dealing with the Finances of Municipalities.

## VII.—Scavenging or the Removal of Waste.

Scavenging a  
Municipal not  
an individual  
Function.

Sanitation as comprised in scavenging is one of the oldest of municipal enterprise. In the form that the collection and removal of sewage and other waste and refuse take in a modern city, it is the most complicated, costly, and considerable of municipal activities. Like the supply of water to a great modern city, the removal of waste and refuse has to be considered from a variety of standpoints. If we include in the definition of this civic waste, ashes, rubbish, garbage,\* and sewage proper,—i.e. the water-borne effluvia which pass directly from buildings or from the streets into the under-ground sewage mains—it has been estimated that the amount per head of population in a modern city of all these kinds of waste put together would be as much as a ton per year † A large part of it all is

\* Garbage may include kitchen wastes of all sorts from Hotels, Restaurants, dwellings, and offal from markets.

† Says Dr. Turner in his work on the "*Sanitation in India*":—(p. 119-21) "In London the house refuse amounts 1½ millions tons per annum, 4.5 cwts. per head per annum, but is much heavier, bulk for bulk than Indian refuse. The amount of this refuse in Bombay, which includes all household waste, stable manure from private stables, road sweepings, shop sweepings and office paper and garden refuse, works out to 2.2 lbs. per day per head of the population or .36 of a ton per annum, about 7 cwts. per head per annum. This does not include dung from milch cattle stables during the dry months, as this is used for cow-dung cakes."

The following comparison of the constituents of a typical sample of refuse in an Indian city and in London, given by the same authority would be instructive:

Indian city refuse.			London refuse.		
1	Hay .. ..	42. 4%	1.	Cinders and Ashes ..	63.69%
2	Waste paper .. ..	21. 2 "	2	Dust .. ..	19.51 "
3	Dry leaves, Bidees &c ..	14. 3 "	3	Vegetable, animal and mineral matter ..	4.61 "
4	Vegetable matter ..	8. 2 "	4	Waste paper .. ..	2.28 "
5	Dung .. ..	4. 6 "	5	Straw .. ..	3.22 "
6	Drain-stuff.. ..	4. 0 "	6	Bottles .. ..	0.99 "
7	Dust .. ..	3. 0 "	7	Miscellaneous (including coal and coak, tins, bones, crockery, glass, rags, and iron .. ..	3.733 "
8	Straw .. ..	1. 5 "			
9	Ashes .. ..	1. 5 "			
10	Garden clippings .. ..	1. 0 "			
11	Miscellaneous (Offal, fish refuse, glass, green leaves, cotton waste, tins, rags, cinders, bones, crockery	3. 3 "			100.0 "
		100.0			

water; but a good deal is solid and must be collected and carted away from streets, industrial establishments, shops, and dwellings. The mere task of cleansing the street by water sprinkling, sweeping, and by the collection and removal of dust and ashes, is a matter that begins to occupy more and more the special attention of a specified department in great centres of population. Cities which are liable, owing to the rigours of climate, to excessive wear and tear, must attend particularly to the streets merely for the sake of preserving the surface if nothing else. The considerations of cleanliness arising out of a regard to civic beauty may have their share in the cleansing and watering of streets; but the view-point of health is by far the most important.

As in the case of the water-supply so in the case of waste-removal, the problem is first a problem in the geography, or rather in the topography, of the city. If a city is situated on the shores of the sea, it will find it quite easy to discharge its waste of all kinds into the sea. This method may not perhaps be the most economical or utilitarian that can be devised; but inasmuch as it avoids the cost of constructing a very elaborate and costly sewage-removal system, it is generally preferred to other possible and even more profitable devices. The discharge of the waste into the sea avoids the danger of polluting a water-supply that may possibly come to be used for human consumption. The only danger that must be guarded against in this method of waste removal is the possibility of charging the atmosphere with offensive odours due to the decomposing and putrifying matter being left on the foreshore after the tide has receded. This danger, however, can be avoided by taking the discharge so far out into the sea as would preclude the receding tide from leaving the waste on the foreshore. As regards cities situated on great rivers, the flowing stream may be utilized for the removal of the city waste. Republican and Imperial Rome used the Tiber for this purpose; and the great Akbar diverted a stream to flush and cleanse the latrines of his palace at Fatehpur-Sikri. But if a city utilising a river for such purposes is situated on the higher reaches of the river, it is liable by so doing to pollute the water-supply of the cities lower down, and may accordingly be prevented from utilising these great scavengers of nature.\* Cities on the other hand situated on the shores of great inland seas, like the Great Lakes of the United States, will run the risk, on this method, of endangering their own public health.

Waste Collection and Removal a Problem in Geography.

For cities away from these natural agencies, of cleansing, or which cannot conveniently or safely use these agencies even though easily accessible, the sewage problem becomes a problem of finance.

\* The classic case in America of Chicago having constructed a sewage system that would have taken that city's immense waste over several hundred miles into the "Father of Rivers" and of St. Louis protesting against the method though situated several hundred miles away, is authority for this proposition.

Cp. Munro. *Principles and Methods of Municipal Administration*. St. Louis lost the case in this particular instance; but that was because it sought equitable relief without having its own hands clean, since it was itself polluting the water of the Missouri.

Disposal of  
Waste.

As already observed, the waste removal problem is not merely a problem of initial collection but also of final disposal. The different kinds of waste mentioned may be disposed of separately in large Municipalities, where, each aggregates enough to justify the institution of special plans for the treatment and disposal of each particular kind of waste. But in the smaller Municipalities this kind of treatment would be out of the question, if only for financial reasons. The entrusting of the removal of house-hold waste to each house-holder not only lacks system and a co-ordinated plan; but is productive of grave danger to the general health of the city, inasmuch as it is possible each individual citizen might dispose of the waste from his house-hold in such a way as to contaminate and pollute the air or water-supply of the city, or affect even the food supply. Even in the more scientifically organised systems of collective disposal of waste by cities as a whole, it is only of late that we have begun to study the most economical methods of disposal. Disposal—simply and solely to dispose—of the collected waste is relatively easy; but disposal so as to utilise and profit by the waste, wherever possible, measures the ingenuity, enthusiasm, and civic economy of the municipality. In Stuttgart they have a most elaborate system of a municipal monopoly for the removal of night soil and domestic refuse, and for the turning of the nitrogenous waste into fertilisers for the further development of agriculture, and for the yielding of a very attractive net income to the city. Stuttgart also removes, under Municipal agency, the sweepings and garbage from house-holds; and though it does not, like Berlin, make this latter function pay for itself, it is nevertheless able to deal most effectively with the problem of waste removal. In Berlin the water-supply as well as sanitary arrangements and disposal of waste are organised so as to be amongst the wonders of the Municipal world to-day. Its drainage system is one of the most efficient and elaborate devised by the intellect of man. Begun about 1875, this vast project was completed about 1893; and to-day almost every house in Greater Berlin is very effectively connected with the drainage system. These drainage works carry annually from 60 to 70 millions of cubic metres of sewage, which is distributed by scientific irrigation over the surface of Municipal farms with an area to-day of more than 30,000 acres or 45 sq. miles. Intensive cultivation is the rule over these farms, which have cost Berlin 15 million marks (£ 750,000). Besides, the radial systems for sewage-collection and the discharging-tunnels have cost 65 million marks. On the whole, the total investment of Berlin on its sewage system is over 120 million marks (£ 6 million). While before the new system was introduced the citizen had to pay for the removal of the night-soil, the service is now rendered for a very moderate sewage rate by the Municipality. The fertilising value of the sewage is so great for the farms, that they are yielding very considerable net revenue, though the original land was not at all fertile. In winter, when sewage will not run easily, owing to great cold, it is stored in reservoirs provided for the purpose.

We may note, in passing, the different methods of treatment for disposing of specified kinds of city waste. These are dictated by considerations either of utility or of sanitation in almost equal proportions. In the former case the problem is complicated by the introduction of a desire to earn some profit for the city from this waste. We have already mentioned the way in which Berlin disposes of its sewage; and it will serve to illustrate this point of view. In the latter case the problem is quite simple. It is only concerned with finding out the most effective means for getting rid of the rubbish. Incineration is a method of disposing of the city garbage which fairly closely illustrates this latter point of view. But wherever it is possible to obtain some kind of gain or help to the finances of the city,—in cash or in kind,—from any activity of the city, it would be a needless waste of civic resources to rest content with a mere destruction of unwanted or useless rubbish and waste. Thus, it has been well observed by a most competent authority on Municipal Administration:

“Incineration, while affording the most sanitary method of disposal, is a rather uneconomic process, since it yields not even a partial recoupment for the outlay involved. A few American cities have undertaken to use the heat from refuse incinerators for the generation of electric light or power, as is frequently done in British Towns. In Savanna a pumping station is operated by power obtained from the city’s rubbish and refuse destructor. In Buffalo, the pumps of one sewage station are driven by steam generated at the refuse plant.”\*

This is a service rendered in kind that is capable of being estimated in cash, if required. And though the cash basis may not show the benefit obtained to be equivalent to the burden borne by the city in the collection and disposal of rubbish, it would certainly be again compared with the complete destruction without benefit. Thus, for example, ashes separated from other kinds of waste, and disposed of by dumping on low and marshy land, may make a most satisfactory and sanitary material for the reclamation of unhealthy areas; and so render a service to the health of the city far in excess of the cost of such collections and dumping. That service, however, would not be rendered if the ashes were dumped into the sea, as the most effective method of getting rid of waste. On the other hand, the practice, favoured in many cities, of disposing of garbage or household waste by selling it to contractors, was pronounced by the Massachusetts State Board of Health to be productive of trichinosis arising out of the consumption of infected pork. Owing to pigs having been fed on such garbage though the cities favouring such a practice of garbage disposal may have obtained a monetary gain from it, the resultant evil is likely to outweigh far the benefit. Incineration and dumping into the sea may be preferred in such cases to practices fraught with grave menace to the public health, even though productive of a pecuniary gain to the Municipality.†

\* Cp. Munro. Principles and methods of Municipal Administration, p. 174.

† In this particular case of garbage disposal, perhaps, the most approvable method

## VIII.—Other Measures Preventive of Disease.

The Importance of Research Schools.

As regards other measures for the prevention of disease, they may be comprised in the general enlightenment in the education of the citizens so as to enable them to perceive, and thereby be more fully prepared against, the dangers of disease. Special study and research into the maladies that commonly affect city life is a branch of the preventive activities of our Modern Municipalities, and that has come only in recent years to be more and more attended to: but its real importance and bearing on the public health is not yet fully grasped by the generality of the civic population. It works far too silently, and its results are often too indirect to be noticed and appreciated by the crowd. Besides, Municipal Schools of Medicine and Medical Research have not, except in a very few instances, received that place and importance in the organisation of municipalities which is their due. At first sight, these schools may appear to be measures rather curative than preventive of disease; but researches into malaria, typhus, and other fevers, or into the causes and nature of the bubonic plague, small-pox, or cholera; have now resulted in preventive appliances, which—because they are becoming quite common—are not the less effective. Thus by their enlightening efforts, the more advanced municipalities not only help in perveying sound medical knowledge—but also encourage the study of particular problems in regard to the health of the city, on which will in course of time be founded other preventive methods. It may perhaps be questioned whether we shall ever succeed in annihilating altogether the disease-carrying microbe, as the Martians are imagined by Mr. H. G. Wells to have done. But without such study and research, we cannot hope to tackle the most difficult part of the problem of maintaining and promoting public health in the cities.

Food Purity guaranteed by inspection and certification.

Yet another activity of a preventive nature commonly undertaken by a municipality is that in regard to the supply of pure food to the city population. Almost every civilised community nowadays has some sort of legislation for the guarantee of a degree of purity in the ordinary food supply of the people. But the enforcement of that legislation necessarily rests with local units; and so the inspection

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*(Continued from previous page).*

would be by scientific reduction. Several plans have been patented for the purpose.

"The general method is to bring all the garbage to a central plant, where it is put into great steel cylindrical tanks. Here it is subjected to heat and pressure with the object of drawing all the grease, oil, and other liquid from it. The grease and oil are then separated from water (sometimes by the use of gasoline or acids rather than by mechanical process) and made into some marketable product such as axle-grease or soap. The solid residuum is usually dried and by the addition of dry chemicals is made saleable as fertilising material."

In large cities, where huge quantities of garbage are daily available, this method can be applied with great commercial success. Cp. Munro p. 183. As a curiosity of Municipal constitutions and functions, let us point out here that the danger from pigs acting freely as the scavengers of nature, is considered to be so great in some of the Indian Towns that they have enjoined, by specific provisions of their constituent acts, the destruction of such animals if found stray and ownerless. Of course, we may admit these provisions are dictated as much by a regard to public health, as by some sense of civic decency. Pigs roaming about in the streets of a city do not add to its ornament.

and certification of articles of food forms no insignificant portion of the duties of a modern Municipality. It is true, neither the state as a whole, nor the Municipality as its constituent part, has yet perceived the most elementary duty of such organisations in regard to the food-supply of the people. They seem to be anxious to guarantee a degree of purity; they do not concern themselves with assuring a degree of adequacy or sufficiency of food-supply.\* Hence, those that can secure the necessary quantity of articles of food may hope, in our modern civilised municipalities, to be guaranteed a certain degree of purity. But those that cannot hope to secure even the barest minimum of subsistence obtain absolutely no insurance against starvation, or under-feeding.†

The diseases of mal-nutrition or under-feeding and general debility are too common and painful a feature of modern city life with its immense, inequitable disparities in the distribution of wealth, to be emphasised any further. And as these diseases begin to affect and take their toll from the earliest years, it is obvious that the ravages resulting therefrom will last throughout the ordinary course of life.

In so far, however, as the modern city does bestir itself to guarantee its citizens against the preventible impurities in their daily food, its activities are most remarkable. Provision  
ment.

“What the French call the *approvisionnement* of a city population, and what the Germans call the *Versorgung der Bevölkerung mit Lebensmitteln*,—the supply of the population with food—is everywhere on the European Continent a subject of constantly increasing municipal concern and intervention. And quite generally the plan of publicly owned cattle markets, abattoirs, and wholesale and retail vegetable and provision markets, has come into favour together with thorough-going systems of food-inspection, which include,—besides the expert examining corps that serve in the market-places and go from shop to shop—the most perfectly equipped chemical, physical, and bacteriological laboratories.”‡

To give one example of what Municipal activities can do in this regard let us mention the most outstanding case—that of Berlin. That city started its own public or municipal abattoirs in 1883. These are spacious and beautiful in structure, and unusually clean and hygienic. Lest civic greed should prove an enemy of public health, the law relating to such public scientific slaughter-houses (passed in 1868) lays down that only such fees shall be charged in these abattoirs as would cover the cost of maintenance and inspection, together with not more than 6 per Berlin's abat-  
toirs.

\* Mr. W. H. Dawson mentions, in his standard work on the “*Municipal Life and Government in Germany*,” the cost incurred by many German towns that attempt, indirectly of course, to guarantee a sufficiency of food-supply to the citizens, by regulating the price of important articles of food like bread and meat, or by the direct supply of such articles as Milk. His general conclusion, however, does not in any way gainsay the principles emphasised in the text.

† For the municipal supervision or regulation of Eating houses, hotels or restaurants cf. Chapter V. of this book.

‡ Municipal Government in Continental Europe by Shaw, pp. 365-6.



cent. by way of interest and one per cent. by way of sinking fund charges on the capital cost of the abattoirs.\* Berlin has now two great establishments, that take the place of a thousand small slaughter-houses of the age before 1883, and yet suffice for all the meat needs of a great and growing city. Over two million heads of beeves, sheep, hogs, &c. are slaughtered there every year. Duly qualified public inspectors examine every animal intended for slaughtering, rejecting those that are in any way infected and so unfit for human consumption.†

Certification  
of other Food  
Stuffs.

Meat food, supply needs to be most carefully supervised in the public interest by independent municipal officials; as it may be the most easily liable to become a source of danger to public health. Besides fresh meat, there is also the problem of tinned or frozen meat-supplies, brought to modern cities from thousands of miles, and the inspection and regulation of which offers its own difficulty. And then there are fish and fruits and vegetables liable to quick decay, and so to cause injury to the public health; and bread and milk which have their own evils of adulteration and deterioration. Just as the greed and selfishness of the civilised man have brought about those dangers, so the growing sense of public morality and human sympathy is endeavouring to counteract the evil effects resulting therefrom, by substituting public enterprise for private profiteering in all that relates to the purveyance of food. Even the modern tendency to replace the old-time open markets by well-built, permanent, roofed-in structures for the sale of articles of food is evidence of the grow-

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\* In 1893 this charge was raised for the communes to 8 per cent. with further permission to tax at a higher rate meat imported into the town and hence liable to inspection.

† The inefficiency of mere inspection unbacked by the guarantee of collective or municipal supply is most vividly illustrated in Upton Sinclair's celebrated novel-sermon called "*The Jungle*," dealing with the hideous horrors of Packing-town in Chicago. Though a state-inspector may be stationed at the gate of each great slaughter-house in Chicago, and though he may be able to see every animal as it rushes into the salubrious pen,—poor brute! he cannot very well refuse to enter into the morning's greetings with a genial foreman. It may be that while he is inquiring after the sciatica or gout of Mrs. foreman several heads may pass unnoticed and unexamined though infected. But is it his fault? And if incidentally his palm becomes greased by a fifty-dollar bill, whose loss would it be? In a municipally owned and conducted slaughter-house there would be no danger of such "graft" as the Americans quaintly describe this silent association of the slaughter-house owner with the state inspector for public injury. And though English people are accustomed to boast of the purity and integrity and public spiritedness of their inspectorate, this is the strongest argument, in our opinion, for the wholesale and immediate municipalisation of all articles of food and drink.

\*\* Dresden, a city of 540,000 inhabitants, finished an immense cattle market and abattoir in 1910 at a cost of 4,260,000. It is the largest and most completely equipped slaughter-house in Germany. It covers 90 acres of land and includes 68 buildings. It is located on the River Elbe, and is connected with spurs of the railways. The groups of buildings are designed as a unit and form a suburban community in themselves. The material is cement with roadways between them of the same material, all so arranged as to be easily cleaned by flushing machines. The most fastidious woman could visit the abattoir, and, as a matter of fact, visitors are encouraged to come as a means of insuring cleanliness. The gates through which one enters are like those of a public park. Everything bears the mark of the architect and the artist in the designing. On the right as one enters is the residence of the director. On the left is a spacious hotel with a restaurant and the post-office. The restaurant is finished with artistic wood-work and frescoed ceilings.

Six thousand head of cattle had been killed the day before I was there. Yet the place had the appearance of "Spotless Town." To the market in connection with the abattoir all the cattle, sheep, and hogs for the city's use must be brought. Here they are inspected for tuberculosis and other diseases.

ing desire to guard in every possible way against the chances of contamination, putrefaction, adulteration, or any other form of deterioration that would render the food unfit for human consumption.

Like the supply of wholesome food, the supply of drugs—specifics against given diseases may also be considered under the head “preventive measures”—at least in so far as these drugs may have an innoculating effect. The same dangers of adulteration have to be guarded against in this instance as in the case of food. Accordingly, if a Municipality wants to protect its citizens against the havoc of unbridled and unscrupulous advertising of quack medicines or important drugs, it must make up its mind to undertake, through its own agencies, and free of cost if need be, the supply of all the principal drugs that have been known by authoritative research to be preventives of specific diseases. But of this, we shall treat more fully under the next section relating to curative measures.

Among the miscellaneous measures preventive of disease we might notice those regulations under a thousand heads which aim at avoiding all chance of disease. Besides the inspection and analysis of articles of food and drink, to detect adulteration, sanitary authorities in many European countries have a multiplicity of obligations involving the inspection of private houses to enforce a minimum of sanitary requirements. The Health Office for the country of London, established in 1889 acts as a court of appeal, inspector of food supply, supervisor of lodging houses, and inspector of infectious diseases. The Berlin *Gesundheitsamt* is an imperial institution dating from 1870, and is concerned with the inspection of the meat at the public abattoirs, and has a disinfection bureau with a staff of 79 persons and a bacteriological laboratory. The Hamburg sanitary equipment corresponds to that of Berlin, and its code of regulations is meticulous enough to include a proper cleaning of beer-houses and drinking vessels. An additional branch of immense importance is the harbour service for the inspection of the vessels in the port. In New York city the sanitary inspection system comprises the inspection of offensive trades, which is a common feature in many European countries; though modern methods of a scientific lay-out or planning of cities have gone so far that all offensive trades and industries are usually located in a special quarter of the city, where they are powerless to affect or pollute the air and water of the city, or to dirty and disfigure the general loop of the streets and open places. Amongst the offensive trades specially treated may be mentioned Slaughter-houses, fertiliser-plants, soap and ghee factories, chemical works, gas works and stables. Los Angeles is, perhaps, the most advanced example, since 1909, of a rigorous distinction between the residential and industrial areas in the same city. Smoke nuisance, again, is sought to be eliminated by requiring, as in Chicago or in Cincinnati—the use of “smoke consumers,” or prohibiting, as in New York, the use of soft coal. Regulations are also enforced in many American cities forbidding spitting in public places, to guard against the

Drug Parity.

Miscellaneous  
Health Regula-  
tions.

spread of tuberculosis. In all public places again, like schools or factories, every possible care is taken in advanced cities of to-day to abolish the common drinking cup, the common communion cup, the common towel, and so to guard against the spread of contagious disease; while the disinfecting activities, comprising the scientific disinfection or even destruction, of all materials used by or in contact with persons afflicted with infectious diseases,—bed-clothes, wearing apparel, feeding vessels &c.,—may quite fitly be said to measure the advance in civic conscience.

### IX.—Municipal Activities curative of diseases.

Curative  
Measures as  
important as  
Preventive.

While medical science and surgical experience have gone a great way in recent times in minimising the fell effects of some of the commonest ailments of the human body, we can scarcely say to-day that we have succeeded in abolishing disease altogether. The absolute success when achieved, of preventive measures may quite possibly render humanity almost immune from such attacks in future. But in the meantime we cannot be content exclusively with preventive measures, as an effective and complete insurance against sickness; though if proper emphasis were laid on the net effects of preventive measures, it would not at all be impossible to secure a far greater average of healthiness than we have to-day. We must therefore think of curative measures almost as fully as we think of preventive measures.

The City  
Health Officer.

Curative measures from, from a spectacular point of view, be even more important. Of the curative measures we may consider as amongst the most important two separate and yet mutually connected and interdependent elements. These are the personal of human equipment for the treatment of diseases, and the material and mechanical equipments for the same. In the former we must include the provision of Nurses and Doctors; and in the latter we must consider the provision of hospitals and nursing homes, sanatoria or convalescent homes,—all intended either to alleviate the miseries of disease when it has gripped the human body in its clutches, or to forward the course of restoration to health, when once disease has fallen back and re-invigorating has set in. In every city a medical officer or a Chief Health Officer is—is quite an ordinary feature of what we may call a Municipality's personal equipment for its campaign against disease. But the functions of this officer and the place of such equipment seems not to be still fully understood in many a Municipality. The city Health Officer is not merely an adviser of the Municipality on matters relating to public health within the city. He is, and must considered to be, an active support and assistance in the alleviation of suffering, in the planning of means to that end, in the supervision if not the administration of all departments and institutions owned or conducted by a Municipality for the purpose of ministering to the public health of the city. But the city Health Officer is not alone concerned

n the struggle against disease. We must consider the entire medical profession in a city as equally interested; and must when necessary be equally available for mobilisation and active service in epidemics. It is, however, in the misconception of the role of the physician that the greatest evils and hardships of city life manifest themselves. The physician must be municipalised: He must not be suffered to exist as a private practitioner or profiteer. It is inhuman that the suffering of any one should be a source of profit to any other. We plan and build the modern abattoir, so as to inflict the least possible suffering on the animals slaughtered for food. And yet human suffering is hardly given the consideration which the commonest humanity demands for it. The mere retention by a Municipality of a Civic Health Officer, with a more or less inadequate staff, would not suffice really and substantially to promote the public health within that area. What we need is the retention and engagement on a large scale of medical and nursing officers if we really are to undo or counteract the ravages of diseases that flesh is heir to. We therefore advocate a wholesale municipalisation of physicians, so that while each individual learned and trained in the science of medicine and in the practice of relieving suffering should be guaranteed a decent living wage, without involving an undue strain upon the missionary zeal, he would be enabled to render service for its own sake or for the love of his fellow-men, and not merely for the baser love of lucre or the necessity.\*

What has been said with regard to physicians may apply perhaps with even greater emphasis to that other adjunct of relieving sickness which is connected with the nursing service. The old professional Sister of Mercy is gradually disappearing, or at least is not quite so familiar a figure at the present day. The modern trained nurse, with a sufficient insight into the character of the disease, and the property of treatment accorded to it, is still to be popularised. The influence of the nursing sisters should not be confined merely to the walls of the sick chamber; it must extend to the domain of the convalescent home

The Nursing Service.

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\* As to the exact *modus operandi* for the municipalisation of medical service the abolition and prohibition of private practice in medicine on the ground of its possible inhumanity and immorality, opinions may differ. Much will depend upon local requirements and circumstances. The Bombay Government's scheme for subsidising medical service with a view to its diffusion and extension in the country will be noticed later on its proper place. The Panel Doctor scheme under the British National Insurance Act is a close approximation, to the ideal advocated in the text. But the national scale on which such schemes are worked detracts attention from the essentially municipal or local character of such measures.

It is likely, of course, that if a single city, or even a few isolated cities, adopt the plan of municipalising the medicals and surgical as well as the nursing service, they may suffer at first by a general exodus of all doctors, nurses and surgeons who are not educated to the requisite degree of social sympathy. Such plans must therefore be put into execution simultaneously by all cities of any importance.

Each qualified medical and surgical practitioner should be guaranteed a certain minimum salary for the municipality, the figure being fixed with due regard to the cost of living in the city. In exchange the citizen thus salaried will be expected to treat free of charge all cases within a carefully prescribed area, and render the required service in times of epidemic, also free of charge, under the orders of the Executive Health Officer of the city.

and sanitarium, where the need of proper nursing may be greater even than in the course of active disease.

#### Hospitals and Nursing Homes

In the material equipment must be included hospitals and nursing-homes, convalescent homes and sanatoria, each of which is appropriated to its own peculiar phase in the course of a disease and its treatment. The effect of history on the social organisation is illustrated, perhaps in no department so fully as in the case of the ownership management of hospitals and allied institutions. Christianity in Europe has always professed to have a special mission in the relief of human suffering; and so the Religious Orders in every country of Europe have made it their special business to attend to the care and treatment of the sick; so much so that Sisters of Mercy became and even now are synonymous with nurses. Hospitals thus became in Europe the peculiar domain of the church, in which even now the awakening consciousness and unquestioned sovereignty of the civic authority does not feel competent or disposed to intrude. In Paris, they have endeavoured specially to laicise the nursing sisterhood; but in spite of a century of effort even in this home of modern free thought, the Sister of Mercy still retains her importance in the most considerable hospitals in the city. In Germany, in many respects the most advanced country as regards the importance of Municipal life and sentiment, it is curious to note that practically the whole of the hospital provision, excluding the hospitals for infectious diseases, rests on a voluntary footing. The Imperial Settlement law by its very first section imposes an indirect compulsion, no doubt; \* and until about a generation ago the public hospitals of Germany were almost wholly used by the sick poor. The real impetus to the establishment of hospitals on a large scale was given by the social legislation.† of Bismark, particularly by the Insurance Laws, which

\* W. H. Dawson Op. Cit., page. 167.

“Every necessitous German shall receive at the cost of the Poor Relief Union liable for his maintenance shelter, indispensable subsistence, the *necessary care in sickness* and in the event of death seemly burial.”

† As the Local Self-governing bodies and authorities are very intimately interested and concerned in the Insurance system let us here examine briefly what that system consists in.

Insurance against sickness was developed on a voluntary basis at first; but since 1883, when Germany led the way with a national law for compulsory insurance against sickness, many countries have adopted the principle of compulsion in their national insurance system. The voluntary principle has been abandoned, because it fails to make insurance universal, and so leaves unprotected those most in need of it; and also because it fails to lift the worker's burden.

The German system of social or industrial insurance, which has materially influenced the insurance systems of almost every other country, is state insurance strictly speaking only for old age and invalidity. The insurance against sickness, on the other hand, is administered through the existing voluntary associations for the purpose; and among these the communal associations are not the least important. The system of compulsory insurance has been gradually extended, till it now-a-days applies to practically all industrial operatives below a specified income—in Britain at the present time £250 per annum. There are certain exceptions or exemptions, e.g. of administrative employees getting 2000 marks (£100) per annum in Germany; while provision is included in all these systems for voluntary insurance, known as “Deposit Insurance” in the British National Insurance system. These voluntary insured people insure or contribute for themselves, no employer being liable to contribute to their funds. In the compulsory department, the principle is generally enforced in all the countries having a national system of social insurance, that the workers themselves, their employers and the state should contribute in fixed proportions. In Germany, however, that

sought to provide every German working man with sufficient insurance against sickness and disability arising out of industrial accidents. The pendulum has swung back almost to the other extreme in the course of 40 years, and to-day treatment in sickness which formerly could be commended by the very rich is considered to be only as necessity of the poor. Between 1885 and 1907, while population in Germany increased by 42 p. c., hospitals increased by 30 p.c. and the number of beds in those hospitals by 83 p.c. If Germany was relatively indifferent to the municipal obligation of relieving sickness amongst its citizens before 1884, it has made up for the deficit by a lavish outlay on Municipal hospitals since that day. A large municipal hospitals costs there from £ 350 to 500 per bed per annum,—the Virchow hospital in Berlin having cost as much as £ 625 per bed. Besides the general municipal hospitals, there are special institutions for the treatment of special diseases, particularly for women and children, while a later off shoot of the awakening sentiment of social or municipal responsibility finds expression in the "hospital care" undertaken by certain societies who look after the dependents of patients while in hospital.

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State makes no contribution, the insured workman providing two-thirds, and his employer the remaining third of the cost. In Norway the Local governing body contributes 10%, the state 20%, the employer 10% and the insured person 40% of the cost. In Britain the National Insurance Act of 1911 required 4d. a week from the insured female, 3d. a week per worker from the employers and 2d. from the State which thus bears 22.2%, to 25% of the entire cost. The employers and worker's contribution is now 5d.

As regards the distribution of the benefits, the law in Germany, lays down certain minimum, which the particular funds concerned are entirely at liberty to extend. If the benefits are extended, naturally the premia also will have to be extended. The British system, however, is based on fixed premia, variation being allowed only according to the varying earnings of the insured. If the worker earns less than 15/- per week, the dues under the Act of 1911 were reduced as follows:—

If earning	2/6 a day or less	..	..	3d.
"	" 2/-	"	"	1d.
"	" 1/-	"	"	nil.

This reduction does not affect the right of the insured to the benefits, or the extent of that benefit, the difference being made up jointly by the employer and the State it being recognised that more poorly paid worker ought to be as fully cared for as his better off brethren. The State might well bear the entire difference, if only as a penalty for allowing wages to fall below subsistence minimum.

The benefit of this insurance is as a rule of a temporary character during illness, though the British system allows these benefits to go on during the entire period of disability. In Germany they allow such benefits to go on for not less than 26 and not more than 52 weeks. The benefits consist of medical and surgical advice and attendance, drugs and medicines and therapeutic supplies like eye-glasses, trusses, bandages &c. and financial subsidies at stated rates during the illness. In Germany the insurance fund may even be used to give hospital treatment, special diet if prescribed by the physician, and even medicinal baths. As regards the provision of medical advice and attendance, the entire system of sickness insurance would have broken down entirely for sheer financial reasons, if the sick were left to choose their own doctors every time paying them at the usual private practice rates. Hence it became necessary to make special arrangements; and 2 main plans were put forward for the purpose, both involving some kind of a contract between the Insurance authority and the medical practitioner. The Insurance authority might either contract with one or two doctors for the total members of the local insurance authority giving the doctors a fixed stipend per head. This is economical and is generally followed on the Continent of Europe though it also leads to such hard bargaining between the physicians and the local authorities that physicians strikes have resulted in consequent. The other alternative is a contract with a large number of physicians—thereby guaranteeing some freedom in the choice of the physicians,—who would give treatment according to certain stipulated charge per case treated actually. When the British National Insurance Act was going through Parliament the British Medical Association further required, that the insurance funds be

### Infectious Disease.

The treatment of infectious diseases is carried on in every European town of any size in special institutions for the purpose. The researches of Pasteur and Ehrlich have enforced this necessity too clearly to be ignored by any conscientious city. In Germany, an Imperial Law of 1900 (June 30) makes notification compulsory, and enjoins upon the local sanitary authority special measures of disinfection, in the case of Leprosy, Asiatic cholera, spotted fever, yellow fever, bubonic plague, small-pox, and anthrax; while to this list the Prussian law of August 23, 1905, adds diphtheria, puerperal fever, relapsing fever, dysentery, typhus, scarlet fever, hydrophobia, cerebrospinal meningitis, trichinosis, glanders, and tuberculosis. Prophylactic measures, including notification by physicians and isolation of every case, visit and instruction by proper authorities to ensure good treatment and care of the patient, and disinfection by public authorities, are freely and most extensively employed. Buda Pest has been pronounced by a most competent authority\* to have brought infectious diseases definitely under control, if not entirely annihilated.

### Private vs. Municipal Hospitals.

The provision of such general and special municipal hospitals and nursing homes becomes necessary as much on account of the element of cost involved in the supply of these services, as in the still greater consideration of the expenditure involved in their proper equipment and maintenance. Private hospitals under proprietary physicians and surgeons exist everywhere, and are usually devoted to the purpose of profit-making for their owners. The fees they charged

(Continued from previous page).

administered by local authorities specially set up for the purpose; and this demand was conceded. They also demanded that the free treatment by way of insurance benefit must be limited to people earning £2 per week or less,—all above that limit being obliged to receive treatment as private patients. Parliament gave in on the principle, though it did not accept this definite limit. It was not, however, till Government threatened to nationalise the whole medical profession paying all doctors directly by the State that the latter agreed even to this compromise—which still maintains all the evils of private medical practice its waste, constliness and inefficiency. Even before the present Bolshevik regime had come into being, the Russian *Zemstvos* or local self-governing units had successfully worked the rural medical system supported by such authorities so that the British Government's threat, had they been compelled to give effect to it, would have wrought no disaster on the British people—Quite the contrary.

As regards the financial subsidy during the illness, we need not go very deep into the details of the several systems, beyond observing that whereas the German system establishes a proportion between the worker's earnings contributions and the subsidy receivable, the British system gives a uniform financial aid to the sick worker—15s. per week to men, 12 to woman, to be reduced to 7-6 after 26 weeks. This helps particularly the lower strata of workers who are slightly better cared for in the British than in the German system. \* 1.

In 1923 there were 13½ million people insured in England and Wales under the National Insurance system. \* 2.

\* 1. The Twenty-fourth Annual Report of the U. S. A. Commission of Labour (1909) Vol. Workmen's Insurance and Compensation System in Europe; and social Insurance by Robinson.

\* 2. Foot-note Cp. the Statesman's Year Book for 1924.

It may be added that insurance against sickness is only a part of the general scheme of Social Insurance adopted in most of the leading industrial countries of the world. Special provision, by way of Insurance, against accidents and permanent invalidity, against unemployment and old age are also introduced, so that practically every emergency or difficulty of a working life in agricultural, industry and commerce, in transport and in public service has been adequately insured against.

\* (Municipal Government in Continental Europe, by Albert Shaw, p. 407).

are all but prohibitive to any but the richest class of society. Even so, these private hospitals cannot pretend to be the most up-to-date and the best equipped institutions of their kind in any country. And the State has to intervene, usually by its delegate the Municipality. A Municipal hospital can and must overlook considerations of cost and cost alone in building, manning, and in regard to the personnel in such hospitals, it may be—as it happens in Paris and many other European cities,—that the medical profession may quite possibly come to regard service in these public institutions, on little or no remuneration, as a mark of distinction and a point of honour; and so save the city an item of expenditure which would otherwise be enormous.”\*

With the best of equipment, the finest of buildings, and the most distinguished staff, public hospitals nevertheless labour under a disadvantage in some countries. Resort to public hospitals being considered in the light of a confession of poverty; and poverty being considered the greatest social crime in our commercial age, it is not at all surprising that many people still continue to suffer in silence rather than resort to hospitals. This is a waste of human energy which can scarcely be tolerated in the general interest of humanity. We must educate our citizens to look upon hospital relief in sickness to be no more than their right and due as citizens, to be no more than what they have already paid for in taxes; and may, if they can pay extra for on every particular occasion for personal treatment. Of course, a free use of public hospitals will not be possible, in industrial communities, and towns are chiefly industrial centres—without a regular scheme social insurance like the one outlined above. As a rule these schemes of compulsory insurance are on a national scale. But there is nothing inherently impossible in great centres of industrial population, like Bombay or Calcutta, undertaking such schemes on a local or municipal scale. In a predominantly agricultural country, like India, it may even be that the if the nation as a whole undertakes a scheme of outlook on compulsory insurance the contingencies it will have to provide for may not be identical with the corresponding contingencies of industrial communities. But we shall treat of this a little more fully when we deal with Indian conditions specifically. Here it is necessary only to add that the relative disfavour in which hospital treatment is held in countries like our own is due not merely to prejudice, or a misconception of the rights of citizenship. Where hospitals even though public—have not outgrown the profit-making stage; or where their immediate conductors lack any human or social sympathy with the large bulk

Prejudice  
against Public  
Hospitals.

\* “Admission to the medical and surgical services of the hospital is based upon competitive examination, and the physicians and surgeons are content to receive very small pay. A great number of special laboratories are maintained in the hospitals, and every encouragement is given to the professional staff to make researches, that will add to the world’s knowledge of diseases and their treatment. To this end, also, a remarkable series of medical libraries is maintained.”

(Shaw. Op. Cit. p. 105) speaking of Paris.



of the cases that come before them for treatment, the usual treatment is so careless or insufficient, that it is no wonder the bulk of the people fight shy of these public institutions for treatment and care in disease. The doctors and nurses immediately concerned with the conduct of the hospitals need also to be educated beyond the stage of *donceurs* and *pourboirs* for doing carefully, conscientiously what it is their bounden duty to do, just as the people need to be educated beyond the stage at which they consider that the mere suffering of a malady is only their own personal concern. Every disease of any individual is a potential—if not an actual enemy of mankind. Silent suffering,—even if it may be considered a virtue from the individual's standpoint—must be condemned as an offence from the social view-point.\* Simply and solely out of regard to public health within their jurisdiction, the municipal authorities must insist on and compel every suffering citizen to obtain proper medical advice and sound treatment. And in order that compulsion of this nature becomes reasonable and effective, they must see to it that not only is there an ample provision for hospitals, dispensaries and drug-stores, but also and particularly that the doctors and nurses in attendance at the Municipal hospitals offer no needless obstacle in the way of the freest possible use of these hospitals. It may be as well to notice in this connection that there are distinct advantages in treatment at the proper hospitals over treatment at home. The latter cannot possibly have,—even in the case of the richest homes—all the equipment and apparatus that an hospital easily necessarily commands. Institutional treatment has, besides, a great advantage in uniformity, in a sort of routine established and organised, which, while it ensures to the sufferer the greatest possible attention and care of the best trained attendant, involves to the community the least possible expenditure in terms of human energy, and even in terms of money in the long run. But because of the prevailing misconception, ignorance or disregard of the nature and potentialities of disease, friends and relatives think it a mark of their friendship and affection to insist on treating personally a friend in sickness. That however does not absolve the community from the obligation to insist on each case receiving proper attention and adequate treatment in well-manned, well-equipped institutions erected and maintained at the cost and under the supervision of the community.

#### X.—Measures to promote Public Health.

Need for Sanatoria Health Resorts etc.

The activities of the modern advanced Municipality do not exhaust themselves, when once it has provided the paraphernalia for the treatment of disease. Medical philosophy begins more and more to be inclined to the view that if human science and human ingenuity are ever to succeed in completely extermi-

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\* There is also the consideration of shame in the case of many diseases which prevent unthinking or uneducated citizens from taking advantage of municipal institutions. But the municipality must not tolerate this misplaced sense of shame.

nating disease from our society, we must 'keep a regular record of almost every case. The detailed life-history of every case seems to be the only chance for a successful campaign against the very root of disease in the course of generations. But until we come to feel that degree of civic consciousness and human responsibility, there is much besides to be done. After sickness has waned or left the human body, it would still have to be cared for before full normal health is restored. The national Insurance Schemes of European countries make a feature of Sanitaria, convalescent homes, and health resorts which thus become an additional necessity. They are however still within the means only of the richest classes in many backward countries; but with the development of the social or municipal conscience, they will have to be brought within the reach of every citizen. In 1913 Germany had, besides, dispensaries and advice agencies for consumptives, 10 sanatoria for adults 20 for children, 5 forest homes—or schools, 5 convalescent homes, and 8 observation stations in addition to 36 institutions or hospitals reserved for incurable cases.\* The provision of convalescent homes is generally at the instance of the Insurance agencies; but municipalities are coming to regard this more and more as part of their normal duties. Berlin has 7 of such homes within an easy distance of the city, and admission is not ordinarily refused to any but epileptics and dipsomaniacs, or those suffering from certain other dangerous diseases.†

A most important item in the task of promoting public health in municipalities is the special care of children. Besides the most elaborate arrangements for maternity homes,‡ and the most perfect provision for milk and food and general care for babies and their mothers, independently of the accident of marriage,§ there are specially appointed school doctors almost in every town in Germany, who not only advise and examine, but even give treatment to school children. School-nurses have been appointed in many towns to supplement the work of the school-doctor. The comprehensive scope assigned to school hygiene

\* Cp. Dawson. Op. Cit. page 257.

† Further, a happy combination of private initiative with municipal subsidy has resulted in Germany in the development of the so-called country Holiday Associations which attend particularly to the children of the poorer classes. These are enabled to make every year in summer months a stay of four to six weeks in healthy and rural resorts to recoup their health. The small municipality of Ludwigshafen has purchased specially a forest estate with a special hospital devoted to the care of the consumptives.

‡ In every insurance scheme special maternity benefits and subsidies are provided. It is a remarkable advance in social consciousness that in all these cases legal wedlock is not insisted on as a condition precedent for the enjoyment of the Maternity benefits.

§ In Germany, the municipality is required by the *code civil* to assume the Guardianship of illegitimate children. "The system of municipal guardianship, under which illegitimate children become at birth the legal wards of officers appointed by the local authorities, is one of the most effectual of the measures by which the terrible mortality amongst these children is being combated." See Dawson Op. Cit. p. 249 *et seq.* The motive alleged for the purpose, quite specifically by Dusseldorf, is the desire to enforce, against the fathers of such children, their legal liability for maintenance. In Paris, on the other hand, according to Dr. Shaw "In recent years no part of the work of *assistance publique* has been more carefully developed than that which relates to the rescue, maintenance and proper instruction of friendless children. The legitimization laws on the Continent and in England before the War were radically different." (Shaw Op. Cit., p. 107-8.)

Care of children.

in that country is not limited to inspection, advice, or treatment of school-children in disease ; but also extends to providing them with spectacles, trusses and other cognate appliances, independently of the poor law. In many places there are also special classes for cripples.\* Poverty amongst children is allowed to be no disqualification for the exclusion of them from the beneficent activities of Municipalities. If insufficient food is the cause of general debility among children, there are attached special kitchens to municipal schools to feed needy children. The children's care committees of London do a most remarkable piece of work in looking after the boys and girls of school-age during the absence of their parents at work. The *Jugendheim* of Charlottenburg in Prussia founded on this model from London, originating from private initiative and subsidised by the municipality, combines under one roof cribs, nurseries, rooms, for regular school-work, games, and practical instruction in house-keeping for maidens and handicrafts for youths. Berlin, again, maintains or subsidises sixty or seventy children's care centres in the different parts of the city.

Provision of  
Play-grounds  
and public  
parks.

It is the same desire to begin at the beginning,—to commence with the child—that actuates most European and American municipalities to maintain large open spaces and play-grounds in every part of the city for the use of the children. The building regulations in every town in Germany rigorously demand the reservation of a specified proportion of the area for such purposes. Many towns in that country are acquiring extensive forest or wood-land estates to convert them into natural parks for this purpose. In Dresden they contemplate the provision of a girdle of green wood-land around the town, while Berlin has a huge estate of 25,000 acres of forest from the state for a like purpose. These peoples' parks are used for every kind of healthy exercise and sport, and provision is made for swimming, bathing, gymnastics and games of all sorts. In the matter of public parks, gardens, or recreation grounds, the British city seems to be in advance of the German towns. But in the matter of the public swimming baths of the most luxurious design, construction and equipment—Germany knows no superior and few rivals. Though these baths are worked on by municipalities at considerable financial loss, that factor is of little account in Germany, in view of the immense contribution made by such agencies of cleanliness towards the promotion of public health. Needless to add that these baths and parks are open alike to adults and children, though there may be and usually is special provision for the latter in their own schools.

Housing Re-  
form.

Allied to the provision of parks and open spaces though far more important in its scope and effects, is the problem of **housing reform** in cities. We shall devote a special chapter to the consideration of municipal activities in regard to housing-reform as an agency in promoting public health. Here we need

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\* A most important branch of school clinics is in connection with the teeth. There were in 1914 over 2000 school dental clinics in 50 towns.

only add that one of the greatest factors affecting and endangering public health in cities is the excessive congestion of population, and the consequent menace to the health and morals of the people. Housing-reform, therefore, has come to claim daily increasing importance in the scale of municipal activities; and the provision of adequate sanitary equipment and fittings for the modern home is not a whit less interesting. In this connection mention may also be made of the increasing scope of civic activities in regard to the reclamation of unhealthy areas within or adjacent to the cities for additional house-building, or even for more playgrounds. The contribution to public health through the aid of this function is undeniable; but as it is closely allied with the problem of housing reform, it would be as well to discuss it along with that problem.

### XI.—The Moral Health of the City.

What we have said hitherto applies principally to the physical health. The duty of the Municipality, however, to take care of the morals of the citizens should not be considered a whit less important; though the Municipality must necessarily work in this regard through intricate and indirect channels. The demoralisation of a city's people arises from a number of causes, not the least important of which may be summarised under three groups:—(a) General overcrowding of city life with the consequent relaxation of the rules of decency and privacy in living for each individual; (b) the conditions of industrial employment; and (c) the possibility of mixture of races with their widely varying ideas of what constitutes moral health in us.

*Causes of demoralisation.*

As regards (a), the problem of over-crowding is very largely intertwined with the problem of civic congestion and consequently with the problem of housing reform. Wherever people have to live under conditions of over-crowding, with perhaps one small room shared amongst them by 4 or 5 by adults of different sexes, not to mention children of tender age occupying the same room, the relaxation of the rules of morality must follow inevitably. If moral health amongst the inhabitants of cities is sought to be promoted by organised action of the Municipality, it is of the utmost importance that civic development with a view to accomplish housing reform be taken in hand and prosecuted most vigorously. While the excessive industrialism of the 19th century brought over increasing masses of population into the towns of Europe and America, the towns of those continents seem to have recognised from the beginning their supreme duty in trying to improve the conditions of living by providing better, more spacious, more healthy homes. Greater and greater expansion of city limits has been facilitated by the more and more improved methods of cheap and rapid transport, so that the working population should not suffer in any way from the improved housing made accessible to them.

*(1) Overcrowding.*

(2) Conditions  
of industrial  
employment.

Housing reform by itself, however, will not succeed in remedying the demoralisation characteristic of city life if the peculiar conditions of industrial life are not simultaneously attended to. It is not merely in the unavoidable mixing of the sexes under conditions of overwrought nerves and tissues in high strained industrial labour, that we must find the root of the social evil which pollutes and offends the whole moral atmosphere of the city. Even the amusements and the recreation available to these over-strained city populations of to-day contain in them germs of the greatest possible evil. The Cinema can be made an agency of purveying the best and the most vivid education. It is used to-day in not a few cities as the most potent agent of mischief by its undue patronage of the morbid and the sensational. Even the superior drama in the most orthodox theatre has not escaped utterly the prevailing taint of modern industrialism. Unless the Municipality, or even the State, takes seriously in hand the radical reform of working conditions in the huge aggregates of workers in a modern factory; unless the Municipality undertakes the purification of all places of amusement and recreation; unless the most potent mischief maker, the drinking-saloon, is brought under the severest regulation if not abolished altogether,—there will be no hope of improving the moral atmosphere in the city. And it is in this connection that we must emphasize the danger of thoughtless regulation for the control and supervision of such institutions. It is not enough that the Municipality lays down the condition for the granting of the licenses to the keeper of drinking-saloons, or the manager of the cinemas or the theatres, or any other places of amusement and recreation which are likely to offend against the morality of the city. Until the Municipality undertakes to provide a better and healthier alternative supply of such places by its own agency, its attempted regulation will always be frustrated by the ingenious and the enterprising, if also the somewhat unscrupulous, proprietors of such institutions. As in the physical so in the intellectual and moral domain, the activity of the German city is perhaps most noteworthy as a model and a stimulus to other cities. We shall, however, notice these briefly in another connection in a later chapter of this book.

(3) Mixture  
of races.

The last factor affecting the moral health of the city, namely the promiscuous mixing of several races in large cities with their varying codes of morality is noticeable chiefly in ports. The Chinaman for example is supposed proverbially and popularly to be industriousness and honesty personified; but the specimens of Chinese character one meets at Shanghai are anything but industrious or honest. In the great ports of the world there is an inevitable relaxation of the moral codes, owing to the very slender sense of responsibility of the *passagere* foreign element constantly visiting these cities, in the shape not merely of foreign sailors but also of foreign tourists from a superior class. In their own homes they ordinarily have a higher code of morality which they habitually observe in practice. But outside, in foreign centres, they seem to consider them-

ves free from obligations which at home they would not dare to offend against. And so it is that ports, and by their example other large industrial centres evolve the one great evil of modern city life : Prostitution. It is, indeed, not a brand new creation of our present commercial civilisation, though in the intensity and extent of the White Slave Traffic, or the scale and extravagance of Parisian, New-Yorkese or Chicagoean houses of ill-fame, the unbridled and unabashed commercialism of our age may have much to answer for. But though prostitution,—open and professional or concealed and amateurish—is no new feature, the evil consequences of that institution to the guilty and still more to the innocent demand from our awakening social consciousness far more drastic treatment than has been the case so far under the prevailing philosophy of laissez-faire.\*

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\* For a fuller discussion of this subject see the article on Prostitution in Bombay in the September number of the *Social Service Quarterly*.

## CHAPTER III.

### MUNICIPALITIES AND PUBLIC HEALTH IN INDIA.

#### I.—General conditions affecting Public Health in Indian Cities.

Conditions affecting health.

Of the conditions affecting public health in large aggregates of population in India,—from a proper study of which alone can we provide suitable remedial measures—the one most commonly instanced is that relating to **climate**. This is, however, a most unfairly hardworked excuse to be loaded with all possible reproaches, when no other more appropriate excuse could be found. The inherent justice of the accusation levelled against the Indian climate seems to be very slight, indeed, when we glance at the chart of temperature or rainfall in a year or over a series of years in an Indian city, and compare the same with that of say Berlin or New York. We shall then find that the climate is really far more even than that in the cities of the Northern and Western world; that the seasons are fairly well marked and regular; and that, above all, the advance of mankind in the knowledge of the arts and comforts of civilised life is sufficiently great to make the vagaries of climate—such as they are—innocuous.

Much more effective in its bearing on the health conditions of Indian Cities, though much less discussed or noticed, is the influence of **poverty** on the health and vitality of city populations in this country. The city of Bombay is said to be amongst the most industrialised and prosperous of Indian cities. The average monthly income of a family of 4.2 persons in the working classes of Bombay—as shown in the **Working class Budgets in Bombay** compiled by Mr. Findlay Shirras—was Rs. 52-4-6 equivalent to a family wage per week of 17s. 5d: Stated in terms of food-values obtainable from this income the following table reproduced from the same authority is too eloquent to need any comments.\*

\* Daily consumption per adult male in lbs. as arrived at from 2973 budgets of working class families in Bombay as compared with Jail diet and famine allowances.

Articles	2473 Budgets	Bombay Jails.		Bombay Famine Code.		Lt. Col. Mac- kay's figures.
		Hard labour	Light labour	Diggers	Dependents	
Cereals .. ..	.. lbs. 1.29	lbs. 1.50	lbs. 1.38	lbs. 1.29	lbs. 0.86	lbs. 1.38
Pulses .. ..	.. " 0.09	" 0.27	" 0.21			
Meat .. ..	.. " 0.03	" 0.04	" 0.04			
Salt .. ..	.. " 0.04	" 0.03	" 0.03			
Oils .. ..	.. " 0.02	" 0.03	" 0.03			
Others .. ..	.. " 0.07	" ..	" ..			

Total .. .. 1.54 .. 1.87 .. 1.69

Mr. Shirras considers the independent, honourable worker to be better off than the famine-stricken, charity-fed beggar, in spite of the fact that in the latter case no figures are available for articles of food other than cereals. But even he has to recognise that the wage-earner in Bombay gets "less than the diet prescribed in the Bombay Jail Manual." It is very cold comfort to be told that such is also the case in many other countries for the wage-slaves of modern Industrialism.

The evidence of infant mortality, tells the same story and drives home the same sad conclusion.\* The Health Officers Report for 1923-24 in Bombay gives the following illuminating information on this the most sensitive index of general health conditions in a city.

People in	Births.		Deaths in infants.		Infant mortality per 1000 of registered Births
	Number.	Percentage.	Number.	Percentage.	
1 Room & under.	14302	68.12	7500	86.89	524.4
2 Rooms	1024	4.88	404	4.68	394.5
3 "	368	1.75	94	1.09	255.4
4 " or more	146	0.69	36	0.42	246.5
Road-side	20	0.10	17	0.20	850.0
Hospitals	5135	24.46	581	6.72	112.2

The number of deaths under one year per 1000 births in the city of Bombay according to the Executive Health Officer of that city, was on an average for the 10 years ending 1922, 475, and 572 on an average of 5 years ending 1922. It was highest or 666 in 1921 and lowest or 402 in 1922. This compares with 281 in Madras in 1921 per 1000 births, 146 in Vienna, 140 in Cologne, 135 in Berlin, 95 each in Paris and Hamburg, 80 in London, 71 in New York, and 54 in Christiania.† The close, causal connection between poverty, overcrowding, and infant-mortality is simply incontestable. The relatively low death-rate of London is easily intelligible from the fact that overcrowding is no characteristic feature of London city life. On the contrary we find that in 1921 when Bombay had 70% of its inhabitants occupying one room tenements, London had no more than 13.9. Moreover London has a comparatively greater percentage of people occupying two, three or four room tenements, than Bombay has.

As poverty materially affects their food and living conditions, it would be merely a repetition under another form of the same cause when we speak of the

\* Infant mortality per 1000 births registered as collected from the Administration Report of the Municipal Commissioner of Bombay from 1915-16 to 1922-23, by the number of rooms occupied.

Year	1 Room & Under	2 Rooms.	3 Rooms.	4 Rooms.	Road-side	Hospitals.
1915-16	618	240	292	181	500	233
(figures for 3 months only.)	(1 room & under.)			(4 rooms & more.)		
1916-17-1916	454.4	373.9	230.1	238.2	1171.8	91.8
1917-18-1917	481.4	430.4	271.5	265.7	1121.9	119.6
1918-19-1918	767.2	498.8	374.7	238.7	1338.3	79.2
1919	831.3	564.9	358.2	189.3	543.4	111.7
1920	631.1	304.0	295.1	289.5	400.0	308.9
1921	828.5	321.9	191.4	133.3	488.8	189.6
1922	470.9	435.7	421.6	300.3	386.3	150.5
1923	524.4	394.5	255.4	246.5	850.0	112.2

† See Findlay Shirras Working Class Budgets in Bombay para 13.



habits of people in India as contributing to a higher mortality. These habits are the inevitable consequence of their economic inability; and no amount of lecturing to the people, no amount of multiplication of Sanitation departments, or the officers of the State or the Municipality in India will help to solve the problem, until and unless the real evil is attacked at its root.\*

(3) Indifference to food and drink.

But while measures and precautions for the improvement of public health which depend upon the people and their ability to afford them may be unavoidably ineffective in this country, that is no reason why, wherever possible, collective action may not be taken so as to prevent or reduce the ravages of disease. The peculiar responsibility of the Municipality in providing clean food, pure water, healthy homes is, as we shall see later on in this chapter, but very elementarily understood in this country; and, accordingly, the response to municipal action in the shape of improved public health is still very slight in Indian cities.

(4) Customs and habits of Indians.

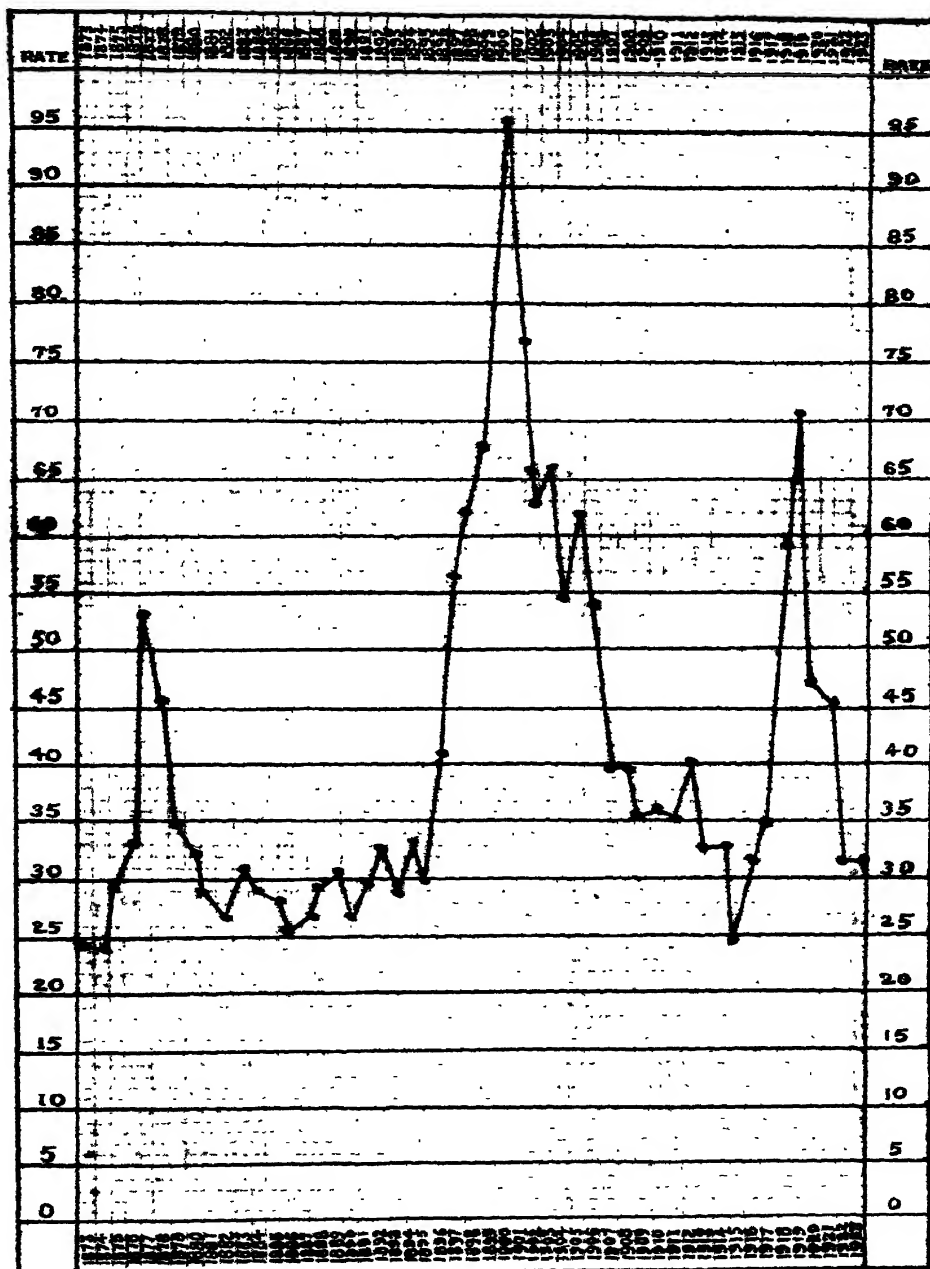
If we consider the customs of the people and their bearing on the public health as something apart from their habits, the influence on public health exercised by the usages of the people will seem to be naturally something quite peculiar to India. The distinction between customs and habits is as necessary as it is natural. The former are the result of a people's history, the latter very often

\* The following table shows the mean after-life time at certain ages in different countries\* and India :—

Countries	Years	At birth	10	20	30	60	80
Males.							
India .. .. .	1911	22.59	33.36	27.46	22.45	10.00	3.06
Germany .. .. .	1910-11	47.41	52.08	43.43	35.29	13.18	4.25
Austria .. .. .	1906-10	40.69	49.08	40.90	33.49	12.86	4.41
Sweden .. .. .	1901-10	54.53	54.03	45.88	38.57	16.06	5.22
Norway .. .. .	1901-10	54.82	52.92	45.16	38.85	16.80	5.85
Denmark .. .. .	1906-10	54.90	55.10	46.30	38.00	15.20	5.10
Finland .. .. .	1901-10	45.00	50.60	42.80	35.60	14.10	4.90
England & Wales .. .. .	1901-12	51.50	53.08	44.21	35.81	13.78	4.90
Scotland .. .. .	1911	50.10	51.86	43.27	35.17	13.54	4.94
Belgium .. .. .	1891-00	45.35	50.25	41.80	34.20	13.40	4.50
Switzerland .. .. .	1901-10	49.25	50.34	41.70	33.80	12.73	4.27
France .. .. .	1898-03	45.74	49.75	41.53	34.35	13.81	4.87
Italy .. .. .	1910-12	46.97	52.55	44.20	36.73	14.14	4.25
Females.							
India .. .. .	1911	23.31	33.74	27.96	22.99	10.11	3.06
Germany .. .. .	1910-11	50.68	53.99	45.35	37.30	14.17	4.52
Austria .. .. .	1906-10	42.88	49.71	41.93	34.80	13.32	4.47
Sweden .. .. .	1901-10	56.98	55.58	47.66	40.20	17.19	5.64
Norway .. .. .	1901-10	57.70	55.08	47.34	40.24	17.85	6.28
Denmark .. .. .	1906-10	57.90	56.70	48.20	40.10	16.50	5.50
Finland .. .. .	1901-10	47.60	52.30	45.10	37.90	15.40	5.10
England and Wales .. .. .	1910-12	53.35	55.91	47.10	38.54	15.48	5.49
Scotland .. .. .	1911	53.18	53.83	45.35	37.22	15.17	5.51
Belgium .. .. .	1891-00	48.85	52.75	44.45	36.95	14.75	4.85
Switzerland .. .. .	1901-10	52.15	51.98	43.69	36.10	13.67	4.51
France .. .. .	1898-03	49.13	52.03	44.02	36.93	15.08	5.38
Italy .. .. .	1910-12	47.79	52.70	44.07	37.33	14.38	4.29

\* Conrad, Statistik Erster Teil, p. 217.

# A DIAGRAM ANNUAL DEATH RATE IN BOMBAY 1873-1923.





a matter of their economic ability. Customs are often involved with Religion and spring from some remote and profound observation of the fundamental needs of human nature. Habits, on the other hand, are, more often than not, personal, with very little sanction behind them, besides the mere whim of the individual. Judged in this light, and considered with reference to their effect on Public Health, we may mention the customs relative to marriage, or those in connection with the disposal of the dead, or those demanding frequent pilgrimages, as among the principal customs affecting the public health in the Indian cities. Of these, however, the influence of the prevalent custom of relatively early marriage in this country is very indirect, and traceable only in the general debility or weakness amongst men or women in India, which makes their bodies peculiarly prone to disease. But even on this point, it would perhaps be not utterly out of place to add that, while the institution of early marriage appears to have prevailed for eight or ten centuries—if not still more—its effects in the shape of a generally weakened constitution have become particularly noticeable only in the last half century at most. It is, moreover, in our judgment, an imperfect analysis of cause and effect which would make the high infant mortality of India directly traceable to very early marriages; for the influence of poverty in bringing about an intensely high infant mortality is far too obvious and direct to be comparable at all to the influence of early marriage. Such as it is, however, that custom may be conceded to be peculiar to this country; and its effect on the public health, whatever it might be, may be admitted to be hard to counteract, until the custom itself is attacked at its root. As for the customs and usages relative to the disposal of deceased humanity, a very large majority of the people of India dispose of their dead by burning them. The actual method of burning may be crude; and may admit of improvements in view of modern facilities; but that the custom itself is sound from the standpoint of public sanitation there can be no dispute. And even as regards those other sections of the Indian people, who dispose of their dead by burying, the undesirable consequences of such a method from the viewpoint of public health are yet not manifest, owing to the practice of setting apart special ground for the purpose. Disposal of the dead by exposure is, wherever prevailing, adequately safeguarded by regulations and appliances to render the custom innocuous to public health. But the old practice of unceremoniously throwing the dead bodies into rivers is not yet dead altogether; and wherever it exists, it is a serious menace to public health. Finally, the only custom which, in any measure is directly affecting public health in India, is that regarding pilgrimages. These are both frequent and plentiful. The sanitary regulations regarding the water-supply and drainage in pilgrim-favoured centres no doubt leave room for considerable improvement. We shall have later on an account of the precautions and expedients already in use in India. Here it is enough to observe that the evil consequences of the pilgrimage custom to public health are apt to be

exaggerated, and that the possibility of injury to public health in modern cities from visitors other than pilgrims is very seldom perceived in its proper proportions. Finally, the modern virulence of the ancient curse of venereal disease—to give but one example—is due in large centres of population, like London or Paris or Berlin or Bombay, far more to tourists and sailors and other fleeting visitors than to the devout and highly morally disposed pilgrim.

## II.—Review of Health Conditions in India.

Given these factors which mainly affect public health in this country, we may next review the existing conditions pertaining to that department.

The one great feature which strikes a student of health conditions and vital statistics in India is the relatively very high mortality in this country.\*

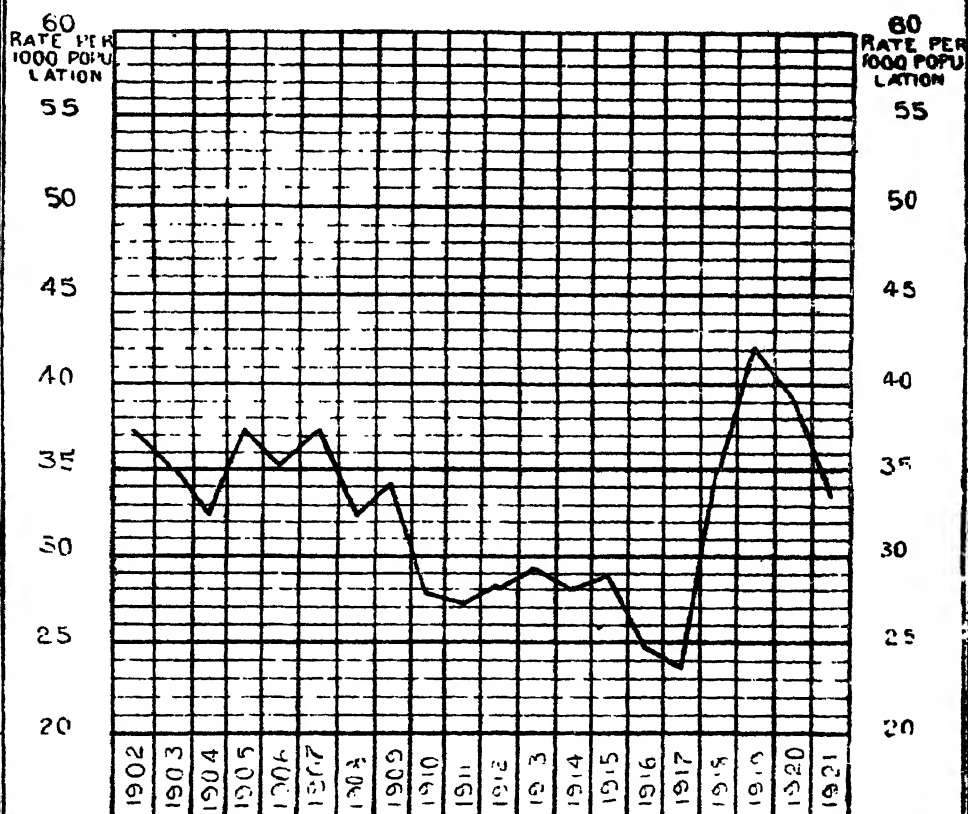
Life is comparatively short in India normally speaking, and the heavy mortality is an unmistakable evidence of that unfortunate state of things. The mortality in the cities is not appreciably higher than in the country at large, in spite of their greater dangers to health, owing probably to the relatively superior sanitary conditions and facilities in towns; though, as the accompanying graphs show, the rates of average mortality vary immensely as between cities. More particularly, we must mention in this connection once again the evidence of infantile mortality, which is an unfailing index of the state of sanitation. Apart altogether from the specially dangerous conditions fatal to infantile life, in large cities, the rate of mortality among babies is most remarkably heavy all over the country in India, as compared with conditions in European countries, where the rate of infant mortality varies from 6 per cent in Norway and Sweden to 18 or 19 per cent in Austria.

The next feature that arrests the student's attention in this study is a fairly frequent recurrence, if not constant prevalence, of epidemic diseases which levy a cruel toll on the miserable apologies for humanity that crowd in Indian cities.

\* The following table shows the ratio of births and deaths per 1000 of the population from 1885 to 1920 — (Census of India Vol. I. Report p. 15.)

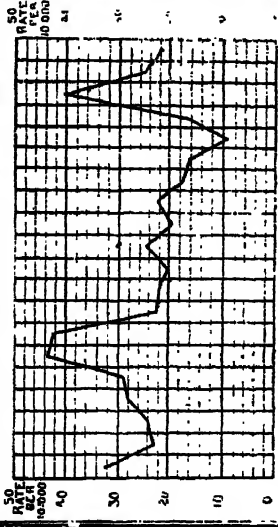
		Ratio of births per 1000	Ratio of deaths per 1000			Ratio of births per 1000	Ratio of deaths per 1000
Average				Average			
1885-90	35.83	27.44		1912	38.95	29.71	
1891-00	35.43	31.31		1913	29.37	28.72	
1904	40.87	33.05		1914	39.61	30.00	
1905	39.14	36.14		1915	37.82	29.94	
1906	37.36	34.73		1916	37.13	29.10	
1907	37.66	37.18		1917	39.33	32.72	
1908	37.70	38.21		1918	30.35	62.46	
1909	36.65	30.91		1919	30.24	35.87	
1910	39.52	33.20		1920	32.98	30.84	
1911	38.58	32.01					
Average.							
1911-20	35.03	34.13					

# TOTAL MORTALITY FOR TWENTY YEARS

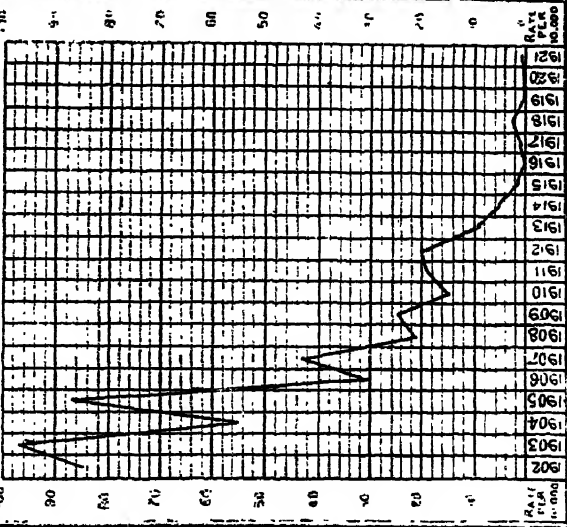




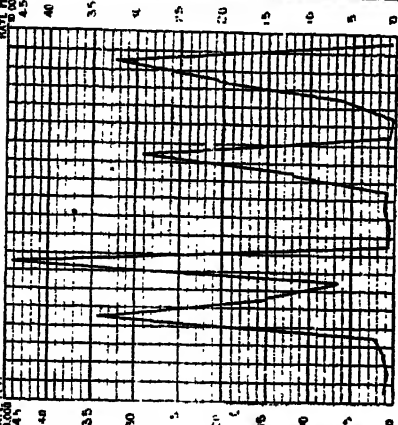
# CHOLERA MORTALITY FOR TWENTY YEARS



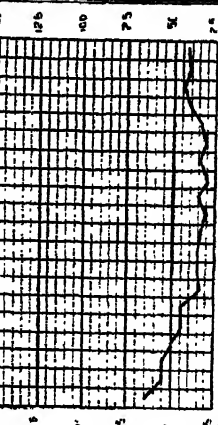
# PLAGUE MORTALITY FOR TWENTY YEARS



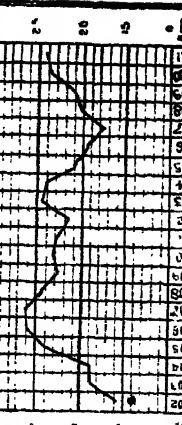
# SMALL-POX MORTALITY FOR TWENTY YEARS



# FEVER MORTALITY FOR TWENTY YEARS



# TUBERCLE MORTALITY FOR TWENTY YEARS



Year	Rate
1900	12.6
1901	32.6
1902	6.6
1903	8.6
1904	21.6
1905	9.6
1906	5.6
1907	7.6
1908	27.6
1909	2.6
1910	6.6
1911	60.6
1912	80.6
1913	20.6
1914	50.6
1915	58.6
1916	10.6
1917	20.6
1918	2.6
1919	2.6





The graph\* annexed gives a pictorial history of the ravages of the principal diseases in the cities of Bombay and Calcutta; but the case of those towns is by no means peculiar or unparalleled, though it may be that of the several scourges of humanity considered in that graph, one or the other may be more or less virulent in the sister cities at different times. The point of special importance in this general study, however, is that many if not all of these epidemics are preventible by judicious precautionary measures taken in advance, and amenable to fairly known and efficacious treatment in most cases. Nevertheless there is a mortality from these causes; and the fact reflects necessarily upon the efficiency or efficaciousness of our modern Health departments in the leading Indian cities. Peculiarities in local conditions may explain,† but cannot justify, the recurrent ravages of these preventible and controllable diseases. Whether mankind shall ever finally eliminate the pathogenic microbe; and whether humanity should ever be rendered completely immune from mortality from disease may be a remote or even an irrelevant question; but that is not a reason to condone or overlook the inefficiency of the Indian Municipal Service in this regard

The other incidents or features noticeable in a study of the conditions affecting public health in Indian cities may be dismissed as relatively unimportant. With the exception of the measures generally devised to combat the diseases, these are almost all designed with very little reference to the root causes of the mischief. Whether those root causes lie in the habits, customs, or prejudices

Minor Factors  
affecting  
Public Health.

\* Table showing the rate of infant mortality per 100 children born—living.

Germany .. ..	1913	15.1	Belgium .. ..	1912	12.0
	1921	13.3			
Austria .. ..	1913	19.0	Netherlands ..	1914	9.5
	1919	15.6		1921	7.6
Finland .. ..	1913	11.3	Denmark .. ..	1913	9.4
	1918	11.5		1919	9.2
Roumania .. ..	1914	18.7	Sweden .. ..	1914	7.3
				1917	6.5
Bulgaria .. ..	1911	15.6	Norway .. ..	1913	6.4
				1918	6.3
Italy .. ..	1914	13.0	England & Wales ..	1913	10.8
	1917	15.8		1919	8.9
Spain .. ..	1914	15.2	Scotland .. ..	1913	11.0
	1919	15.6		1919	10.2
Switzerland ..	1913	9.6	Ireland .. ..	1913	9.7
	1919	8.2		1919	8.8
France .. ..	1913	10.9*	Massachusetts ..	1913	10.9
	1919	11.9*		1917	9.9
Luxemburg ..	1912	13.2	Japan .. ..	1917	17.0
				1918	18.9
			India .. ..	1911	21.4 male
				1920	20.1 ..

\* Austria as newly constituted

\* For 77 Departments.

\* Conrad, Statistik, Erster Teil p. 183.

Born living

Died.

	1881	1891	1901	1910		1881	1891	1901	1910
Australia	36	35	26.9	26.7		15	15	12	8.4
New Zealand.	38	29	26	26		11	10	10	10

† See the account of the Bombay Health Officer regarding the outbreak of cholera in 1915.

of the population—*e.g.* in regard to vaccination against small-pox ; or in the peculiar geographical conditions of a city—*e.g.* the marshy places as breeding grounds for mosquitoes and malaria ; or in any other specific consideration, the remedies devised after recurrent experience of the epidemic seem always to fall short of tackling at the root. As we shall see in the proper place, judged by results, the remedies hitherto applied seem to have grossly belied in most cases the vaunted expectations of their authors. Finance and financial considerations have become the one dictating and restrictive condition, even in subjects and departments where they ought to occupy a wholly secondary position. And the tragedy becomes the deadlier when we remember, that while financial considerations have been assigned a wholly disproportionate importance in such vital questions of city life as water-supply or drainage facilities, even they have not been scientifically thought out and rationally—if courageously applied. But of this more hereafter.

### III.—Legal Obligations of Indian Municipalities in matters relating to Public Health.

How far have these and other peculiarities or features of Public Health conditions been attended to in the several codes of Municipal legislation in the country, as well as in their constituent acts ? The following summary of the Public Health provisions in the several sections of the latest Act relating to the Bombay Municipality will serve to give an idea of the prevailing conception regarding the proper scope of Municipal activities in these matters.

Summary of  
legal provisions

Apparently the very first provision in this elaborate code of Municipal legislation is that concerning the appointment of a Municipal Health Officer (Ss. 74-76) who is made a consulting officer in regard to public health by the Municipality. The Statute requires the Corporation to make adequate provision for establishing and maintaining public hospitals and dispensaries, where the service may be rendered gratis, or on some nominal fee charged under rules made by the Corporation (S. 62 a). In regard to certain specified medical institutions, which are primarily conducted by the government, the city fathers' responsibility is limited by law to the finding of certain sums.\* As regards measures relating to the prevention of disease and promotion of public health within

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\* List of medical institutions in Bombay for which the Municipal Corporation has to find certain fixed sums under Section 62 (1).

- 1 The Jamsjee Jeejeebhoy Hospital.
- 2 The Bai Motlibai (obstetric) Hospital.
- 3 The Sir D. M. Petit Hospital for women and children.
- 4 The Dwarkadas Lalubhai Dispensary for women and children.
- 5 The St. George's Hospital.
- 6 The Goculdas Tejpal Native General Hospital.
7. The Cama Hospital for Women and children.
8. The Allbless Obstetric Hospital.
9. The Jaffer Suleiman Dispensary for Women and children.
10. The Jehangir Nassarvanji Wadia Dispensary, Mahim.

There are, in addition, the King Edward VII Memorial Hospital directly under the municipality started in 1925 and the Wadia Maternity Hospital founded by private charity in the same year.

the Municipality, there are elaborate provisions in several sections relating to the cleansing of streets and removal of refuse (365), the provision of receptacles of depots for the collection of refuse, (367) as of night-soil etcetera (369). Curiously enough, in all places where no such provision is made by the Corporation, the duty to provide for the removal of refuse &c. still rests by law on the occupier of a tenement or building (370). There are also several sections devoted to the provision of drainage facilities within the city. It is interesting to note that though the Corporation is required by law to make adequate provision for the construction and maintenance of drains in the city, there is still no uniform or universal provision of such facilities in a city which calls itself the *urbs prima* in India. (S. 220 et Seq.). Whatever may be the position regarding old buildings, new buildings at least cannot be erected in the city of Bombay without proper drainage equipment. A prominent feature which strikes a student of these sections in the Bombay Act is the immense variety and reserve of powers vested in the executive officer—the Municipal Commissioner in this regard. It is not merely that the Municipal drains are placed under the control of the Commissioner (S. 220-1), but that officer is given power to carry a municipal drain through or under any street; and if in the exercise of such powers any damage results to private individuals, the Municipality, not the Commissioner, will have to make compensation. (S. 222). Similarly, it is within the discretion of the Commissioner, subject to the sanction of the Corporation, to appoint places in which to empty the sewage and polluted water of the city (246); and he has moreover the power to make any arrangement with any person for a period not exceeding 20 years for the removal of sewage. Such powers having been so lightly entrusted to the Commissioner can suggest only one reflection; that the Corporation or the Government has not yet perceived the economic utility of sewage-disposing. But we shall have more to say on this point later on.

As regards the general cleanliness and sanitation in houses, the Commissioner may require proper cleansing and white-washing of private houses, and may prohibit the use of any house condemned as unfit for human habitation (374-379). Power is also vested by law in that authority (379 A) to prevent overcrowding; but it is a little difficult to say whether that power is effectively exercised in practice. The Commissioner may cause insanitary huts to be removed or altered; (380) and, as a special precaution against malaria, may fill in pools &c. which may be a nuisance. There are, besides, detailed provisions as to the keeping and stabling of animals and the removal of their carcasses (385-5). Public bathing and washing places are similarly provided for, (387) as also the factories and trades which may have a close bearing on the health of the city (390). There is a definite prohibition of sale of animals or articles of food outside of properly appointed markets, (410) which are subject to regular and constant inspection. The power of inspection is further applied to prevent the spread of infectious or

Ensuring  
cleanliness and  
Sanitation.

dangerous diseases (422) ; and there are general provisions, in the same connection, regarding prohibition of drinking water which may cause disease (423), and for the removal of persons suffering from such diseases to hospitals under orders of the Commissioner. Disinfection of buildings, (425) and destruction of huts &c. when necessary in the interests of public health, together with the provision of a proper place for the washing or disinfecting of contaminated articles, and of conveyance in suitable vehicles of infected patients to hospitals are enjoined on the Corporation, the Commissioner being empowered to take special sanitary measures on the sudden outbreak of any dangerous disease (434).\*

Vaccination  
as a preven-  
tive.

Amongst the obligatory duties imposed on the Municipal Corporation for the prevention of disease may be mentioned vaccination. Under S. 61 of the Bombay Municipal Act, the Corporation has to make adequate provision for public vaccination according to the Bombay Vaccination Act of 1877. Similarly, the Commissioner must provide for inspection of meat, poultry, fruit, fish, flesh, corn, bread, milk, ghee, butter and any other articles exposed for sale for human consumption (414). If on inspection, any articles are found to be unwholesome, they may be seized and destroyed. And as for drink, the Corporation is required to provide adequately for the construction and maintenance of works and means for providing a supply of water for public and private purposes.†

#### IV.—Actual work of an Indian Municipality in Preventing Disease.

Health acti-  
vities.

This brief typical summary of the legal obligations of a Municipality and all officers or authorities acting under it will not be intelligible, without a practical illustration of a Municipal Corporation at work on questions affecting the public health of the city. In conformity with the plan adopted in the preceding chapter, let us consider the work of a Municipal Corporation under the three main heads of: measures preventive of disease, those relating to treatment or cure during disease, and those concerning the general promotion of the public health in the city.

The following information has been compiled from the Administration Report of the Bombay Municipal Corporation for 1923-24.

\* The following provisions in the Madras Municipal Act are interesting, though a little difficult to understand, as illustrating the principles held in view :—S. 344 "The Corporation shall enforce vaccination throughout the city in the prescribed manner."

S. 346 (1) "Inoculation for small-pox is prohibited. (2) No person who has undergone the operation of inoculation shall enter the city before the lapse of forty days from the date of inoculation without a certificate from a medical practitioner of such class as the council may authorise to grant such certificates stating that such person is no longer likely to produce small-pox by contact or near approach."

Vaccination is itself a form or kind of Inoculation ; and so we mere laymen cannot understand why these two sections should have been so drafted as to be mutually destructive.

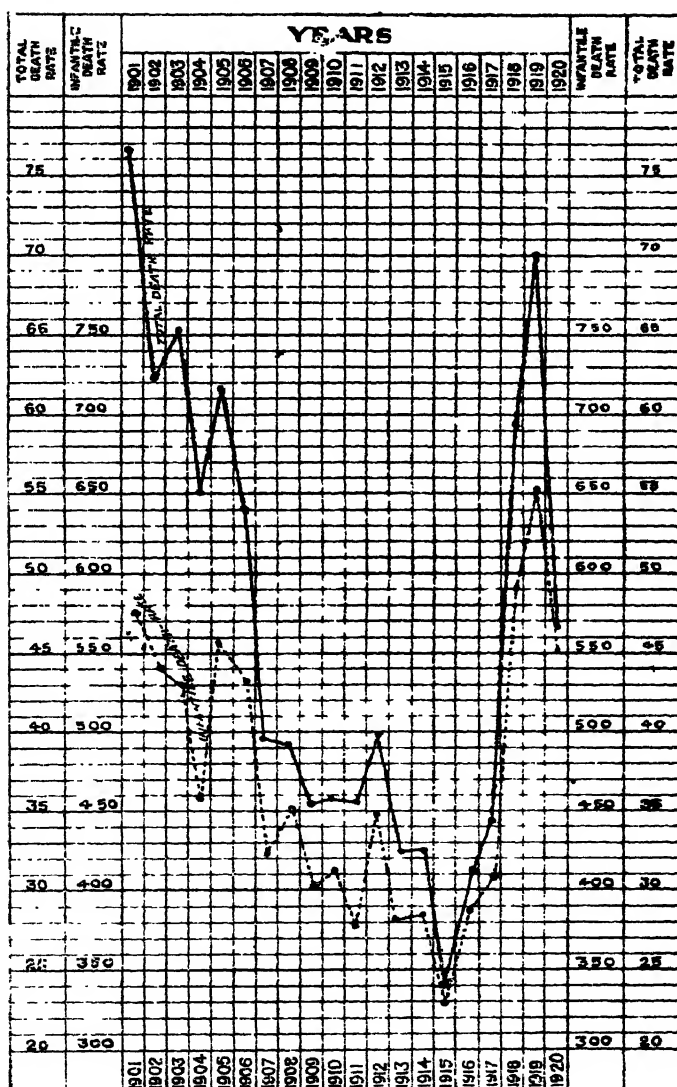
† As a curiosity in Municipal legislation, it may be noted that in Calcutta, the law imposes an obligation on the Municipality to test the purity of water every week. (S. 219) No such obligatory duty is imposed on Bombay.

# DIAGRAM.

Comparison of Infantile Death-Rate with Total.

DEATH-RATE IN BOMBAY CITY,

1901 TO 1920.





Considering first the functions and activities of the Municipality as regards the prevention of infantile mortality, the work which is being done in Bombay in this regard may be described under the following heads:—

- (i) Visits by the Municipal District Nurses for the purpose of getting into touch with prospective mothers and for discovering cases of sickness especially among women and children and unvaccinated children; visits for inquiry into the condition of new-born infants; and for giving instruction by homely talks as to the care and rearing of children.
- (ii) Attendance on confinements.
- (iii) Provision of necessities and comforts during the lying-in period.
- (iv) Maternity Homes.
- (v) Infant Milk Depots.
- (vi) Infant Welfare Centres.

**Municipal Nurses.**—The number of Municipal Nurses employed is twenty, two being attached to each of the ten District Registrars' Offices. They are all qualified midwives and visit daily the localities and the chawls inhabited by the poor, and help to diffuse and popularise elementary knowledge of the principles of health and hygiene and to carry such knowledge into the homes and lives of the ignorant. They give advice on the prevention of diseases and the care and up-bringing of infants; and bring to the notice of the authorities cases of unregistered births, unvaccinated children, and also of sickness. They also persuade prospective mothers to go to the Maternity Homes provided for them free of charge. Where this provision is not taken advantage of, they attend on the women in their own homes providing them with bedding for their confinement, and with food in the shape of milk and bread. The visits of the nurses are frequently the means of bringing to the Municipal Dispensaries sick persons who would otherwise either not know of the existence of the facilities provided; or knowing, would, through indifference and stupidity, neglect to benefit by them. These visits are doing much good and are welcome and appreciated by those for whose benefit they are paid. The details given in the foot-note below are not only interesting; but seem to give us an idea of the extent over which their activities range.\* The

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\* During the year the Municipal Nurses paid 54,402 visits to houses, chawls and huts (against 59,408 in 1922) inquired into 5,474 cases of ordinary sickness, and reported 433 cases of infectious diseases and 1,144 deaths in the female population of the city. They also attended on 1,914 confinements (against 1,259 in 1922) and verified the reports of the Birth Karkuns on 7,016 births.

Among the cases wherein enquiries were made, the proportion of births wholly unattended was 5.7 per cent. and that of confinements attended by unskilled women 52 as against 6.1 and 60 respectively in 1922. The percentage of children born in Hospitals (21.5) showed an increase of 3.6.

The proportion of children dying within 30 days of birth was 14 against 12 per cent. in 1922. The percentage of mothers who left home for work leaving their children to the care of others shows a decrease of 4.7. Relief to the poor women during confinement in the shape of necessities and comforts such as milk, bread, bed, blankets, charpays and linen was continued during the year and dispensed in 468 cases against 265 in 1922 and 342 in 1921.



most advanced Indian municipality, however, is still very far from municipalising the nursing service; and so proper nursing attendance is still conspicuous by its absence. The same remark applies to medical service.

**Municipal Maternity Homes :—**Besides the provision of nurses, the municipality also provides model maternity homes which are taken advantage of by hundreds of prospective mothers, who would otherwise ruin their health and the health of their babies in small dingy rooms without an aperture to let in light. The total number of women admitted in all the three Municipal Maternity Homes during the year was 1,773 against 1,784 in 1922. The number of cases confined in the three Homes was 1,592 against 1,627 in 1922. Obviously these homes are not taken advantage of by a very considerable section of the population which can scarcely afford to dispense with such aid, and which can yet not afford to pay for it on the usual basis of private medical practice. The several maternity hospitals in the city conducted by private practitioners are in a more or less flourishing condition; but that is not at all conclusive to show that the Municipal Corporation need have no care in that regard. The establishment by private munificence of a large maternity hospital in 1925 may have reduced, but it has not annihilated altogether, the obligation of the municipality in this regard.

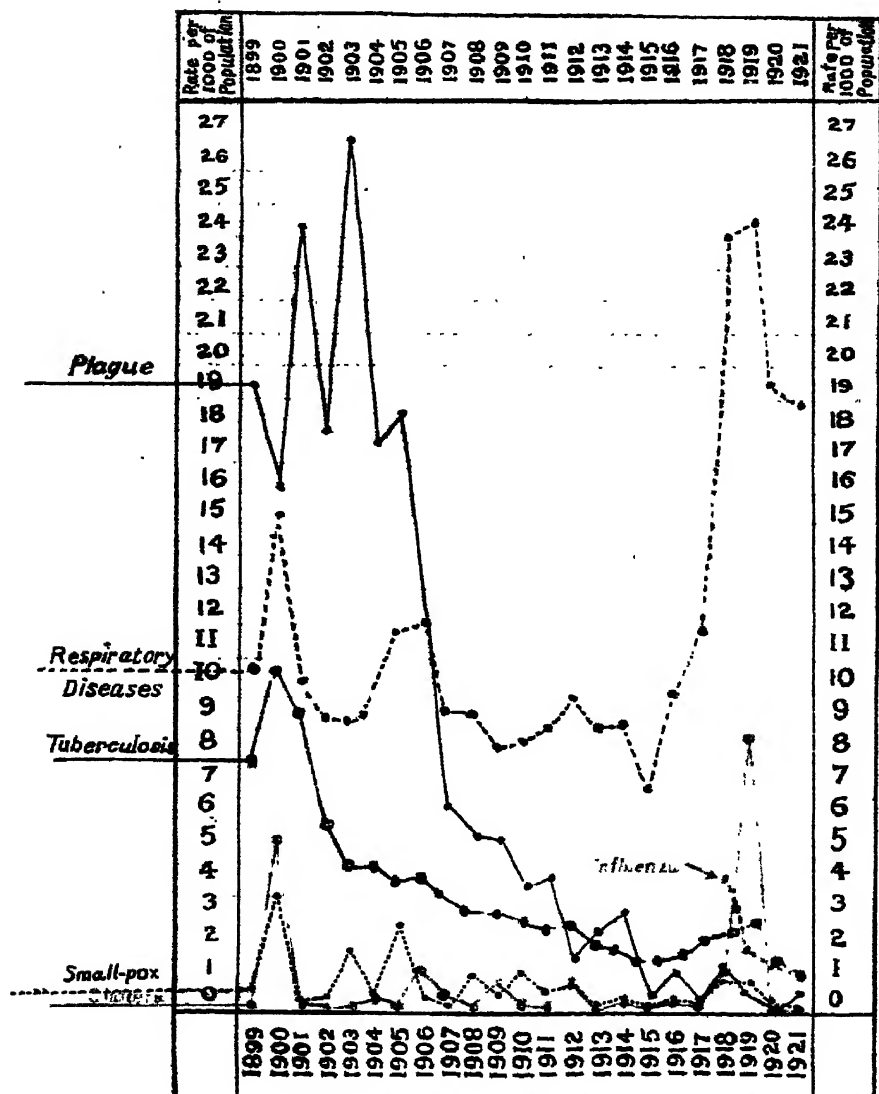
**Infant Milk Depots.—**Two Infant Milk Depots have been established, for distributing daily pure milk free or at a nominal price, for the benefit of children born in the Homes or under the supervision of the Municipal Nurses. 30,216 seers were distributed at these depots during the year, thereby helping very substantially the cause of reducing infant mortality.

In view, however, of the number of babies needing pure and plentiful milk in Bombay, this can hardly be considered to be all that the municipality need do in that behalf. A municipal dairy on a large scale is an unquestionable necessity; and, for our part, we are not sure that, properly conducted, such an institution would be a losing proposition. But even if it costs a subsidy to the city of a few thousands per annum, it is well worth trying.

**Voluntary Welfare Centres.—**The Maternity and Child Welfare Scheme of the Infant Welfare Society has made much progress. At the end of the year the centres established numbered nine. The society provides through them (1) advice and instruction to mothers as to infant management, (2) medical aid to infants, and (3) a staff of trained nurses for visiting the homes of infants. Each centre is in charge of a supervisor who is a trained nurse and a midwife. She supervises the milk distribution and assists the Lady Doctor in charge in attending on babies and advising mothers on infant management. There is also a

# DIAGRAM

## DEATH-RATE FROM PRINCIPAL EPIDEMIC & OTHER DISEASES. 1899-1921.





Health Visitor, who is a trained nurse and midwife attached to each Centre. She visits the babies in the district and persuades their mothers to take advantage of the Infant Welfare Scheme.\*

A creche is attached to the Tardeo Centre and now contains 30 children. But the city is yet far from that ideal of assuming complete parentage of all deserted or abandoned or orphaned children which alone can guarantee us a healthy race of self-reliant citizens.

#### V.—Epidemic and Other Diseases.

In addition to its duties towards mothers and infants, the Municipality has various other duties to perform towards the preservation of the health, physical and moral, of the people under its guardianship; and the municipality takes all possible precautions and measures not to fail in its duties and obligations. Infectious diseases being one of the worst enemies of mankind, the municipality insists on its notification, and physicians are compelled by law to notify all cases within their knowledge. A glance at the number of notifications received from medical practitioners and the total number reported by municipal registrars will show that more and more cases are notified every year.†

**Small Pox.**—Small-Pox was prevalent in the City throughout the year and caused 479 deaths as against 61 in 1922, 406 in 1921 and 468, the average for the preceding ten years (1913-1922). The number of attacks from Small-pox registered during the year was 978 including 19 imported cases against 130 attacks (including 11 imported cases) in 1922.

**Vaccination.**—There are 19 Vaccination Stations in the City. Three stations are open in the morning on every Monday, Wednesday, Friday and Saturday and two on every morning during the rest of the week.‡

**Preventive Measures.**—The attacks and deaths from Cholera in 1923 were far more numerous than in 1922; and as the possibility of water-borne infection could not with certainty be excluded, arrangements were made for sterilising the Municipal water supply.

About the end of June 1923, two plants for generating chlorine were installed, to sterilise the Tansa and the Vehar water. The fall in the number of deaths after the increase in the amount of chlorine was very striking, but was too immediate to be attributed with certainty to cause and effect.

\* During the year, 62,600 seers of milk were sold at 1 anna a seer and 16,874 seers given free; maltine was also given at half price or free. The number of new admissions at the nine centres was 3,383 and that of attendance for milk, medicine, treatment and advice 214,153.

† Notification of Infectious Disease—The total number of cases of infectious disease registered during the year was 4,575. Under Section 421 of the Municipal Act, 1,136 were notified by Medical Practitioners, and 14 by Hakims and Vaidyas, 3,439 cases or 75 per cent of the total number were found and reported by the District Registrars.

‡ The total number of primary vaccinations and of re-vaccinations performed during the year was 20,293 and 21,153 respectively as against 18,886 and 8,903 in 1922.



**League for combating Venereal Diseases.**—Early in the year 1918, a League for combating Venereal Diseases was established under voluntary management, with the Head Office, Information Bureau and Venereal Dispensary at No. 66, Lamington Road. At the Information Bureau advice is given to the public, and educational literature published in English and Vernaculars is also distributed. The Dispensary is well equipped with all the necessities for the free diagnosis and treatment of Venereal Diseases by modern methods. The Staff of the Dispensary consists of a male and a female Medical Officer for the male and female departments and a nurse.

A post-graduate course of training for qualified medical practitioners is held three times a year. It is conducted by the Medical Officer in charge at the Dispensary, where provision is made for laboratory instruction and ample facilities are available for clinical work.

#### VII.—Disinfection, &c.

The following table shows the number of cases of infectious disease removed to Hospitals, of houses vacated and disinfected and of articles disinfected by steam :—

**Infectious Diseases—Cause and nature of action taken in 1923.**

On account of	Total cases.	Cases removed to Hospitals.	Houses vacated.	Rooms disinfected.	Articles sterilised.
Plague .. ..	1,501	141	228	1,688	613
Small-pox .. ..	978	334	3	910	585
Measles .. ..	..	5	..	161	81
Chicken-pox .. ..	..	20	..	41	38
Typhoid fever .. ..	226	10	..	218	130
Malarial .. ..	..	5	..	32	7
Relapsing .. ..	12	7	..	13	22
Influenza .. ..	68	16	..	63	7
Cholera .. ..	323	158	2	473	359
Erysipelas .. ..	..	..	..	3	..
Leprosy .. ..	36	5	..	10	..
Tuberculosis of lungs ..	1,274	52	..	841	358
Dead rats .. ..	..	..	108	452	..
Other Causes .. ..	..	40	9	700	608
<b>Total .. ..</b>	<b>..</b>	<b>793</b>	<b>410</b>	<b>5,605</b>	<b>2,808</b>

#### VIII.—Medical Relief.

**Municipal Dispensaries.**—The twelve Municipal Dispensaries were open throughout the year to administer, as in the past, free medical relief to the sick poor of the city. The number of cases treated at the dispensaries during the year was 69,036.

In addition, 5,136 new cases were treated at the Colaba and Victoria Bunder Charitable Dispensaries to which a contribution is paid by the Municipality.

The free municipal dispensary for the treatment of eye diseases opened and maintained in the Sanitary Institute, Princess Street, since 1920, has now been fully equipped. The total number of new cases treated in 1923 at this dispensary was 387.

**Milk Supply.**—A considerable advance has been made by the Dairy Superintendent during the year towards the solution of the problem of removing from the City the milch-cattle stables which are so fertile a source of nuisance and complaint.

Land is to be purchased and stables erected by the Municipality at Trombay for the reception of milch-cattle from the City.

A scheme for  
municipalising  
the Milk-supply

In addition to the Trombay scheme for bringing milk in from the suburbs, negotiations have been set on foot with a view to encouraging the production of milk by private enterprise at much greater distances from Bombay in a country where the conditions fulfil the requirements of economic dairy farming. We are by no means convinced, however, that private enterprise would, in this department of municipal activities, be quite the right thing to depend on. It is exceedingly difficult to give exact figures for a proper dairy-business sufficient to meet the milk-needs of a city like Bombay. But assuming that the milk needs of the city of 12,00,000 souls at half-a-seer per head per day are 6,00,000 seers, the dairy business would require to maintain about 60,000 cows and buffaloes, taking 10 seers of milk per day per head of milch-cattle. The maintenance cost of 60,000 cattle would be @ 8 annas per day Rs. 30,000 ; or Rs. 9,00,000 per month ; while the interest on the capital required for the purchase of such cattle would be—on say Rs. 1 crore @  $7\frac{1}{2}\%$  Rs. 7,50,000 = Rs. 62,500 per month. The stable rent will aggregate, in some convenient suburb of the city, like Trombay, Rs. 30,000 a month. The superintendence charges may be put down @ Re. 1 per day per 100 cattle or Rs. 18,000 per month—say Rs. 20,000 ; while the transport and distribution costs in the city—including house to house delivery—may be put down @ Rs. 50,000 per month. This allows only 1,000 milk-men serving on an average 250 families each and paid Rs. 30 per day, plus 20,000 for transportation over 15 miles by motorvans—100 lorries at most—or by tram. The total cost thus works out per month to be :—

Maintenance of cattle	..	Rs.	9,00,000
Interest on capital	..	„	62,500
Stable-Rent	..	„	30,000
Superintendence	..	„	20,000
Distribution charges	..	„	30,000
Transportation costs	..	„	20,000
<hr/>			
Total	..	„	10,62,500

At a flat rate of 2 annas per seer the gross earnings on 600,000 seers would be Rs. 22,50,000. Even supposing we add on the expenditure side 10% p.a. by way of depreciation of stock, or Rs. 1 lakh per month at most, this leaves a margin of very considerable dimensions still. In this calculation we include nothing by

way of receipts for the dead animals, or those sold to butchers, or for hides, hair, bones &c., though we have allowed for a large depreciation reserve, which would be very largely scaled down, if we allow for a systematic cattle-breeding on this dairy farm. At the present time, the price of milk in Bombay is seldom less than 4 as. per seer, which places this indispensable article almost beyond the reach of the wage-earner whose average income is little over Rs. 50 per month for a family of 4 at least. The concentration of milk-supply and dairy-business in the municipality,—as distinguished from private profit seeking entrepreneur,—would enable the price of milk to be reduced by 50 % at a stroke, or even by 2-3 without any loss to the municipality. In fact there seems to us to be every prospect of substantial profit, even if 25% of the milk is given away freely, and another 8½% at concession rates to public institutions like hospitals, nursing-homes, boarding-schools and hostels &c.; and if, in addition to all this, the price of milk is reduced to Rs. 3.75 per maund or 1½ anna per seer; provided, of course, proper use is made of all bye-products, and a regular cattle-breeding industry is established at the same time. The Bombay Municipality is reclaiming a large estate of some 800 odd acres from the dumping of its *kutchra*, which might form good pasture for the cattle, reducing the maintenance cost substantially; while the stable-rent would be only a book-entry which would be recorded on the expenditure side, only as an interdepartmental charge that may be much smaller than allowed for in the calculation above.

We do not at all suggest that the foregoing figures are either accurate or even closely approximate. But we think the overwhelming importance of the subject of milk-supply demands a far closer scrutiny than has hitherto been devoted to the subject by the municipality. Hence our attempt.

#### IX.—Water Supply and Drainage in Bombay.

With the exception of the question of milk supply, the measures we have noted so far pale into insignificance when we consider the influence in preventing <sup>Influence of Water on Health.</sup> disease of the two factors considered in the present section: *viz.* pure water supply and proper drainage facilities. The construction and maintenance of water and drainage works adequate to the service of the great cities of to-day, and satisfactory from the view-point of scientific advance made in recent years on these topics, involve very considerable expenditure and great feats of engineering skill. It would take up too great a space in this work were we to attempt anything like a descriptive sketch of the history and working of water-supply arrangements in even the principal cities of Bombay, Calcutta, Madras and Rangoon. And there is very little in common even between these four chief cities to permit our laying out a general description in the hope that what applies to the one will apply to the rest. Calcutta and Rangoon are river-side towns, yet their water-supply arrangements vary materially. While Calcutta makes rigidly and regularly a distinction between filtered and unfiltered water, which is drawn from



the Hoogly, Rangoon gets its water, like Bombay and Madras, from specially constructed lakes. Bombay seems to be unique in using, at present, utterly unfiltered water for all purposes indifferently, while Madras stands at the other extreme in insisting upon every drop of water used in the city being either filtered or at least chlorinated. The average daily consumption per head was in Bombay 39.42 gallons in 1923-24.

„ „ Calcutta (filtered) 39.7 gallons in 1921-2.

„ „ Madras 26.5 „ „ 1922-23.

The volume of the Calcutta supply becomes materially improved if we take into account unfiltered water. In any case, the water-supply in the leading Indian cities compares very poorly with the corresponding facility in American cities.\*

Owing to these difficulties, all that can be attempted is a description of the water-supply system of only one Indian city. We select Bombay for the purpose, because the Bombay arrangements are unique and remarkable in many ways. The water is brought into the city from several places over long distances,—the most considerable supply being drawn from the longest distance of 55 miles—involving great engineering achievements. The following historical and descriptive sketch is compiled from several official documents.

#### X.—A Short Description of the Water Supply of Bombay.†

Historical  
outline.

Bombay, previous to March 1860, was dependent for its water-supply upon shallow wells, and also upon large tanks within the island, in which men and animals bathed and *dhobis* washed their clothes. Many of the wells became almost dry in the hot months, and consequently in many cases the people had to scoop up the semi-liquid mud at the bottom, from which they squeezed a fluid which was little better than sewage; for in those days there was no proper drainage and no system of conservancy. Water famines were frequent and severe, and outbreaks of cholera constant and disastrous. It became evident, therefore, that the first

#### Water Consumption in American Cities.

* Region.	Towns.	Daily per head consumption.
New England .. .. .	49	85
Mid. Atlantic States .. .. .	44	137
S. Atlantic „ .. .. .	15	90
Ohio Valley „ .. .. .	55	88
Upper Mississippi .. .. .	53	73
Lower „ .. .. .	6	53
Rocky Mountains .. .. .	5	283
Pacific Coast .. .. .	5	204
Canada .. .. .	9	108

See Munro's *Principles and Methods of Municipal Administration* p. 133. He admits that in European cities the average consumption is about 40 gallons per head daily, though, of course, there are great variations.

† The subjoined account of the Bombay Water works has been compiled from a brief monograph entitled "*The Tansa Completion Works*" 1924 issued from the Municipal Office, Bombay.

great sanitary need of the City was an adequate, pure, reliable water-supply. Accordingly the Vihar Water works were begun in 1856 and were carried out by Government, the delivery of water from that source being given to the town in 1860.

The beneficial results which followed the introduction of a pure water-supply to the City were enormous, and the strong prejudices which at first prevailed against its use soon disappeared. The supply from Vihar was increased a few years later to  $12\frac{1}{2}$  million gallons per day by the laying of an additional main and by replacing some of the old pipes by new ones. In the meanwhile the Tulsi Works had been constructed at a cost of Rs. 40 lakhs. They were commenced in 1872 and completed in 1879. The lake impounds about 2,000 million gallons of water, and supplies the city with  $3\frac{1}{2}$  million gallons per day through a 24" main.

The supplementing of supply by the Tulsi Works restored constant supply at high pressure, but the rapidly increasing demands of the City for the lake water and the increase in the use of water caused the pressure to dwindle rapidly; and it was considered advisable to seek other sources of supply.

Meanwhile the need for more water again became acute, and as a water famine appeared imminent in case of the failure of the monsoon to fill the Vihar Lake, it was considered expedient to obtain an additional supply as soon as possible to mitigate this anticipated calamity. The works at Powai were therefore taken in hand as an emergency work and were completed and brought into use in 1891. On completion of the Tansa Works, however, in 1892, the Powai supply was discontinued, and since that time that source has never been utilized.

In spite of these additions the rate of supply per head, however, soon began gradually to decrease due to extensions in the use of water for sewer flushing, road watering, and for trade purposes, and also due to a steady increase in its use for house-hold purposes on account of the introduction of sanitary fittings and apparatus which were unknown before. This continued increase in the use of water made it again necessary to revert to intermittent supply; and in February 1913, after seven years' consideration, the Corporation gave approval to a comprehensive scheme for the duplication of the Tansa Main. By 1915, all the pipes had been laid at a total cost of Rs. 370 lakhs, and were capable of supplying fifty one gallons daily. Since the Tansa Duplication Works were taken into use in 1915, the War and other factors caused a large increase in population in Bombay; and a still further increase in the use of water became unavoidable. The remedy was a scheme to extend the Tansa Works to the final limit at an estimated cost of additional Rs. 429 lakhs. The Corporation on 12th December 1921. decided to adopt it. This project has been called "The Tansa Completion Works" and provides for bringing into and

distributing within Bombay the whole of the water which the Tansa catchment area can yield in years of normal rainfall, viz., a supply of 90 million gallons per day from this source.

The question of the filtration of Tansa water is an intricate one, upon which much thought and time is being expended. It is hoped that before long an acceptable scheme at reasonable cost may be laid before the Corporation to purify the water-supply of Bombay, render it safe against any epidemic of water-borne disease, and make it in quality second to none in the world. Meanwhile, the water is chlorinated as a precautionary measure.

Criticism of  
the Bombay  
Water Supply  
System.

Wonderful as the Bombay water-supply system is; justly proud as the authors and advocates of such projects well might be, the criticism cannot be avoided altogether that in the search and design for the works to supply Bombay with water, attention seems to have been paid almost exclusively to the beaten track. Strange as it may seem, the source of inexhaustible and perennial supply near at hand seems never to have been satisfactorily considered. Seawater, if pressed into service, need never cause any apprehension of exhaustion no matter how fast and how large the city grows.\* Besides, the cost to the city would not have been a fraction of the cost the present water-works for the city have amounted to, while the amount of water available would have been easily double or treble the present per capita supply. Even if sea-water could not economically be purified enough to be used for drinking purposes, it may very well be used for industrial, railway and domestic purposes. Railway requirements, industrial demands, street washing, drain-flushing, and such other needs may all be easily met by sea-water properly treated by distillation and chemicals. Viewing the question from the double stand-point of public health, which demands as plentiful a supply of water as can be; and of public economy, which must endeavour to keep down the cost of water-works as of any other branch of public works; and bearing in mind the governing fact that the city is constantly growing, that its trade and industry are daily expanding; and that therefore its water requirements must also be increasing, we think it is not too late even now to consider carefully if Bombay cannot utilise—much more economically and safely—the water-supply drawn from the sea, instead of rushing on to very difficult and costly projects, which have necessarily a limited capacity. If the suggestion to utilise sea-water is adopted, it is possible the drainage pipes &c. may have to be relaid and replaced entirely. But the consideration of such factors ought not to prevent even a discussion of this suggestion.

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\* "The county borough of Blackpool owns a sea-water supply undertaking, of which the Corporation itself is the chief customer for street watering purposes" cp. Douglas Knapp; p.91.

# APPENDIX.

## III. Table showing growth of Bombay water supply.

	1861	1872	1879	1881	1886	1891	1892	1901	1906	1911	1916	1921
Vchar water introduced 1860			Tulsi water introduced		Vchar supply increased by laying 24" main.	Pawai works constructed	Tansa water introduced.				Tansa supply increased	
Population ..	570,000	644,405	745,330	773,196	800,000 (Approximate.)	821,764	830,000 (Approximate.)	776,006	977,822	979,445	1,000,000 (Approximate.)	1,175,914
Supply in millions of gallons per day ..	7	7	10½	10½	14	14	31½	31½	31½	31½*	46	40½†
Supply in gallons per head per day ..	10	11	14	13½	17½	17	38	40½	32	34	46	34½
Income from water Rs...	45,619	4,07,835	3,51,798	5,24,819	7,74,651	11,81,429	14,07,081	15,47,120	19,38,429	20,89,253	24,71,834	3,31,0363

\* Note.—Increased supply due to enlargement of the northern portion of the Vchar main from 32" to 48" between the years 1909 and 1914.

† Restricted supply on account of deficient monsoon.

## XI.—The Drainage System of Bombay.

The Bombay  
Drainage sys-  
tem.

The same course of attempting a sketch only of the conditions in Bombay must be followed in describing the drainage facilities in India, because "Bombay is the most sewered city in the East;"\* and because "the drainage of Bombay presents exceptional varieties of different systems, and accordingly, there can be few cities, if any, in India of greater interest or higher educational value to students of sanitation."† The history of Drainage in the city of Bombay is as interesting as it is instructive; but this is not the place to attempt even a bare outline of that history. The curious or the special student we would refer to the interesting and elaborate works already quoted from as regards the full description and history of the sanitary arrangements of Bombay city.

Its History.

The foundation of the present drainage system in Bombay was laid by a commission of 1878, presided over by Surgeon General Hunter, whose report recommended "a main ovoid sewer from Carnac Bunder to the Crawford Market to be continued along Sheik Memon Street, Bhuleshwar, Khetwadi and the Flats to Love Grove, with a branch sewer from the Town Hall to the Crawford Market and another up Clerk Road. A pumping station was to be erected at Love Grove to pump the sewage into the sea. The commission was further of opinion that the house-connections would be suitable, and that provided the water-supply was not less than 20 gallons per head per diem, the night soil might be freely admitted into the sewers with a recommendation for the enforcement of a standard water-closet, except for huts and inferior buildings, where house connections were impossible. It strongly recommended free ventilation of all sewers, and the separation of storm water from sewage." On this recommendation the main sewers were constructed, with an outfall station at Love Grove foreshore, consisting of a double-barrelled masonry chamber—each barrel of 3' 6" diameter, from which are laid 2 parallel 36" pipes, running into the sea 6 feet below spring-tides low-water. The old basket-privy, with all its disastrous consequences of filth, stench, vermin and disease, is being replaced by the water-closet; though the process of replacement is rather slow, and those qualified to pronounce an opinion declare it would take 300 years at the present rate of replacement to convert the whole city to the water-carriage system. In all new houses and buildings, however, water-closet of some sort is the rule. Provided there is sufficient water available at all times, the water carriage system of sewage removal from inhabited houses is indeed the most healthy invented so far.

Shone System.

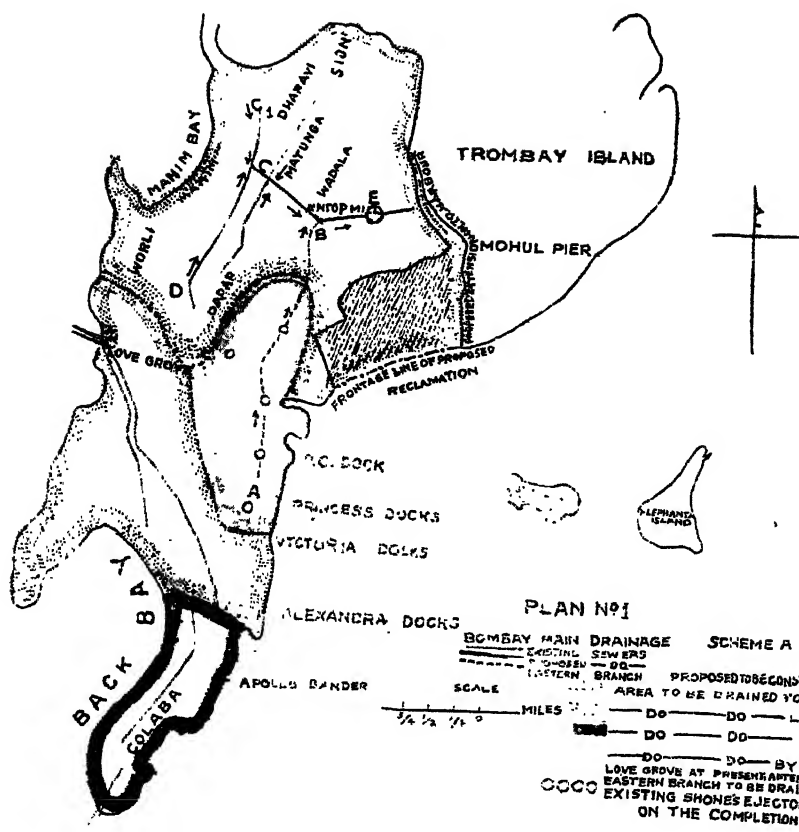
The principal method now employed in Bombay for the collection, removal, and disposal of sewage is based on the so-called Shone System.‡ Sewage is drain-

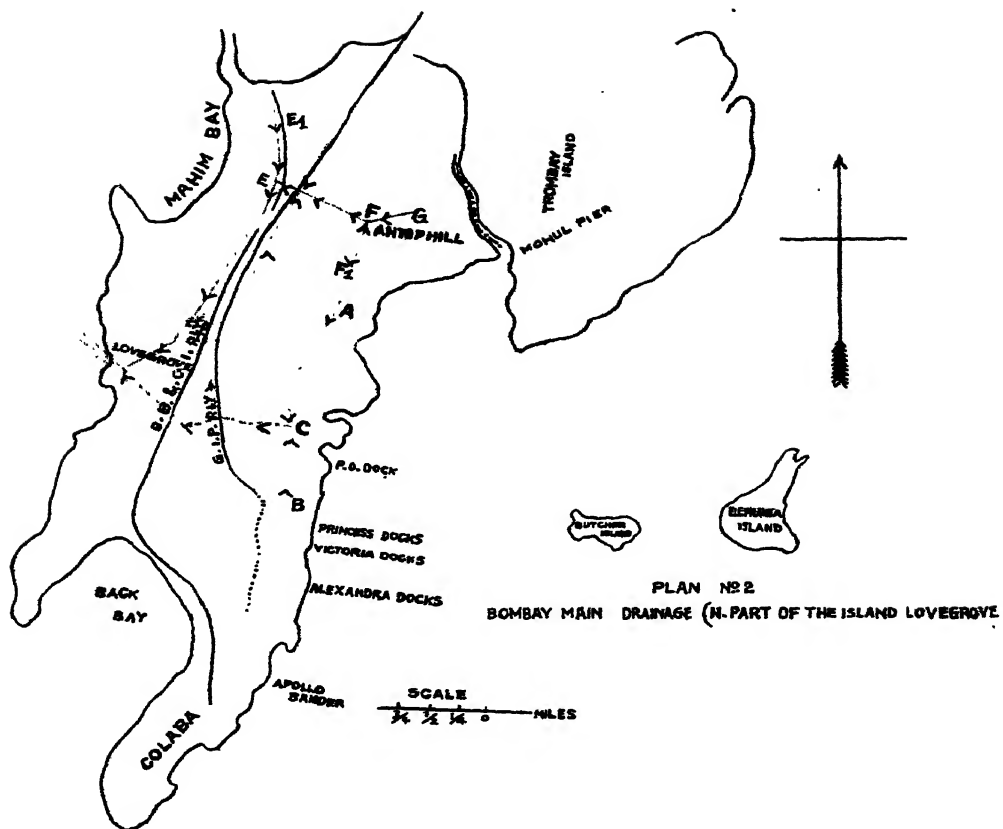
\* *Cp. Sanitation in India*, by Dr. J. A. Turner, P. 170.

† *Cp. Drainage Problems of the East*, by C. G. James, P. 264.

‡ The following description of the Shone system applied to the Colaba district of Bombay city would be interesting:











ed by means of pipes to the sewers from each house ; and at convenient centres, nine in number at present, the sewage is lifted by compressed air pumping and conveyed to the main sewer, and thence to the pumping station for discharge into the sea.

Bombay has not yet got rid entirely of the old system, wherein the Halalkhors, the human vehicle for sewage removal, muster at a central point in each district at 5 A.M. and then go round their beat collecting the night-soil, which they convey in baskets on their head to their depots. Unless properly checked and supervised, the work is liable to be scamped by false trips or dumping the night-soil in the open drain. The latest report of the Municipal Commissioner, Bombay (para 113) records :—

The old System of basket privies.

“During the year 104,610 night-soil and cess-pool carts and 4,371,696 night-soil baskets were emptied at the several night-soil depots in the city.....The number of water-closet substituted for basket-privies was 88 against 202 in the previous year.”

The rapid, ceaseless increase in the population of the city has made the task of sanitary reform more than ever slow in comparison ; and so Bombay continues to have several—old as well as new—systems of sewage removal, collection and disposal working side by side at the same time.\* At the present time, the need

*(Continued from previous page.)*

A sealed sewage main is laid from No. 3 Ejector Station to the Wellington Fountain at the north end of the Colaba District, with branches from Nos. 1 and 2 Ejector Stations, and discharge into a long chamber near the Fountain. From this chamber the sewage flows into the gravitation pipe sewers. The use of the chamber is to receive the contents of the sealed sewage main, should they be required to be suddenly blown out in the case of an obstruction taking place in the main. No. 4 Ejector Station discharges its sewage through a short length of sealed sewage main into the head of a sewer gravitating to No. 3 station where it is all re-lifted, while No. 5 discharges also through a short length of sealed sewage main into the sewer gravitating to No. 4, where the sewage is re-lifted and sent to No. 3 where it is again re-lifted. The double lifting of the sewage of No. 4. sub-district and the treble lifting of that of No. 5 has been adopted as being economical, for the reason that to force the sewage of these sub-districts, which is comparatively small in quantity, though rising from one end of Colaba to the other, would require compressed air at a much higher pressure than necessary for the other three stations, where the greater part of the district gravitates.

A map of Bombay city showing the sewage system is attached.

\* Said the Health Officer of the City, in his Annual Report for 1920.

“At the northern end of the sewer system, the sewers are incapable of carrying the quantity of sewage which enters them during the rains. The drainage from water-closets and privies backs up until it finds an outlet through gullies and the covers of inspection chambers to flow over the courtyards of dwelling-houses and the public footway. Even in the dry weather at certain hours in the day surcharging and overflow from manholes and gullies frequently occur.

From the Elphinstone Road northwards, no sewers except storm water drains are yet available outside Improvement Trust areas for the reception of sewage. Nevertheless, new buildings are continually being erected in the north of the Island without any adequate provision for their drainage. Sullage water is taken into closed and open storm water drains, or runs on to small plots of land in quantities which are much too great for absorption.

Water closets have been drained into septic tanks the effluents from which pass without further purification into storm water drains, which are either open from the outset or pass eventually into open channels. These open drains, needless to say, are a source of serious nuisance.

The overflow from privies passes into cesspools which are periodically emptied by carts. A number of these cesspits are approached by *kacha* roads, which become impassable during the monsoon.

for further improvements in the drainage arrangements of the city having been recognised, proposals have been prepared by the Corporation and submitted for sanction to Government, whereby it is proposed to establish an additional outfall of sewage into the Kurla creek from the purification works on Antop Hill,—the proposed outfall being in the neighbourhood of the Mahul Pier at a point about  $\frac{1}{2}$  a mile distant from the Port Trust Harbour limits. Government has not yet granted its consent to the project owing to the opposition of the Port Trust authorities, who seem to fear the harbour would be immensely fouled by the discharge into it of the city sewage.\* The Municipal Corporation, if it fails in this attempt, may revise altogether the entire sewage system of the city, having three in place of the one main outfall, one for Colaba and the southern districts of the city to empty into the sea at the south end or beyond the Prong's Light house, another but more capacious at Worli, on the western coast for the western division of the town, to empty into the western sea, Back Bay; and the third at Antop Hill to empty into the harbour.

*(Continued from previous page.)*

These defects will be remedied when the construction of the new main sewer outfall, which has not yet been commenced, has been completed.

In the sewered areas of the Island, all new houses are drained on the water carriage system; but 13,704 basket privies still remain.

These fertile sources of disease and abominable nuisance were being converted into water closets at a steadily increasing rate, when orders were issued that conversion was only to be insisted on in the worst cases pending the occurrence of a fall in the post-war prices of material and the provision of sufficient pressure to carry water to the flushing tanks. The issue of this order, supported as it has been by a period of exceptional difficulty with the water supply, has brought the work of construction on any considerable scale to a stand still. The completion of the third line from Tansa lake will occupy the best part of five years, and during that period, it is to be feared, the greater number of the old basket privies in the city will remain unconverted."

\*The reasons of the Port Trust opposing the scheme are very succinctly laid out in the letter appended.

The Secretary,  
Bombay Port Trust,

Dear Sir,

With reference to your letters quoted above, I have to report on the revised Schemes presented to the Municipality by Mr. J. D. Watson in his report dated 26-9-1924.

2. In order to facilitate reference to Mr. Watson's revised Schemes I have prepared a synopsis in tabular form showing the main particulars of the new proposals.

(1) The various Sewerage Districts into which Mr. Watson proposes to divide Bombay and Southern Salsette and the positions he proposes for the outfalls for the Sewerage Districts.

and (2) Modifications which I consider should be made in the arrangement of the Sewerage Districts and their outfalls before the Scheme can be accepted by the Port Trust.

3. The principal modifications proposed are as follows:—

- (a) Sewage from Mahim District, Dadar, Matunga, Dharavi and from such portions of Gowari Wadala and Naigaum as lie to the west of the Natural ridge can most conveniently be drained to the West and should therefore be arranged to do so.
- (b) I consider the suggestion that the Sewage of Southern Salsette should be drained towards Antop Hill a preposterous one. This district should be drained to the open sea not to the land-locked waters of the Harbour.
- (c) The district of Chambur lying near the Thana Creek might rationally be arranged to discharge its purified sewage effluent into the Harbour.
- (d) The portion of the Central District shown coloured brown on Drawing No. 209-1925 illustrating Mr. Watson's Scheme should remain part of the District to be drained to Love Grove.
- (e) All outfalls should be arranged so that the discharge will take place at 12 feet below Low Water Level.

From the technical points of actual working of the drainage system in Bombay, there are several drawbacks or shortcomings, of which only two or three of the more important ones need be mentioned here. While in England, in all properly sewered towns with a sea-outfall, crude sewage is discharged into a depth of not less than 18 feet, and at as great a distance from the city as possible, the present outfall at Bombay discharges 35.295 million gallons per day (1923-24) into a minimum depth of 6 feet of water and close to the shore. It is almost incredible, but it is nevertheless true, that little or no attention seems to have been paid, in the desire to dispose of the sewage of Bombay, to the fact of an alternating land and sea breeze in the greater portion of the year in this tropical city, whereby any sewage discharged into the harbour on the east or the sea on the west cannot but befoul the atmosphere of the adjacent houses in the morning or the evening. As it is, some of the most desirable building land on the western

Criticism of  
the Bombay  
Drainage Sys-  
tem.

(Continued from previous page.)

- (f) Any sludge arising from the process of Sewage treatment which cannot be actually disposed of and utilised as manure should be transported and dumped in the Sea beyond Port limits.
- (g) The degree of purification for all Sewage effluents discharged into the Harbour should be such that the effluent does not contain more than 3 parts of suspended solids per 100,000 parts.

5. It will be noted that on page 20 of the Pamphlet Mr. Watson inclines towards the Scheme to discharge the partially purified effluent from the Northern District into the Harbour near Green Island although the Capital cost of doing so is Rs. 10 Lakhs more than the Scheme for more complete purification by the Activated Sludge process with effluent discharging on to the mud at Kurla Creek which latter Scheme is recommended by the Municipal Commissioner.

The difference in Capital cost of these 2 Schemes is due primarily to the cost of the Outfall pipe naturally being greater for the longer distance to Green Island. My proposal is a modification of these two Schemes. I recommend first purifying the Sewage as suggested by the Municipal Commissioner and then carrying the effluent beyond Green Island as recommended by Mr. Watson. This will, according to Mr. Watson's figures, increase the estimated cost of the scheme by Rs. 8.75 lakhs. The suggestion made by the commissioner on page 5 of the pamphlet that the Corporation "should stipulate that it does not undertake liability for constructing an outfall from the point of discharge in Kurla Creek to any point in the Harbour to which reclamation may extend in future" could never be entertained. Kurla Creek is not the proper place for any outfall. There is at times of L. W. Spring tides nearly 2 miles of mud between the proposed point of discharge and the Harbour Waters.

6. A few notes on the History of some previous Schemes for the Sewerage of Bombay are given in Appendix "A" forwarded herewith.

7. The cost of Mr. Watson's 1921 Scheme was estimated, at approximately Rs. 3,00,00,000.

The scheme now proposed by the Municipal Commissioner is estimated at approximately:

Northern District	..	..	Rs.	1,30,00,000
Central .. "	..	..	..	47,00,000
Southern ..	..	..	..	40,00,000
				Rs. 2,17,00,000

The modification which I have outlined in para 5 above will add approximately Rs. 8.75 Lakhs to the cost of the Commissioner's scheme. Even then the whole estimated cost appears to be approximately Rs. 74½ lakhs less than the estimated cost of Mr. Watson's 1921 scheme.

8. With reference to the proposal to discharge the effluent of the Southern District off the Prongs Reef a separate report will be forwarded as soon as the current observations have been completed.

9. The papers which accompanied your letters under reply are returned herewith.

Yours faithfully,  
Sd. T. M. CLURE,  
Ag. Chief Engineer.

shores of Bombay, though built upon, is suffering from this great nuisance of filthy stench from the sea befouled by the sewage emptied into it; and if the harbour is similarly to be befouled on the East, there would be no place in Bombay free from the malodorous atmosphere at some time of the day. It is possible, of course, to have the city sewage treated chemically and precipitated, in which case no additional outfall station might be necessary. But the cost of such chemical treatment is a considerable, if not a prohibitive, item. For mere deodorization, without seeking to have the solid matter in the sewage precipitated, is not possible as reported by Mr. C. G. James in 1903.\*

Utilisation of  
Sewage.

Another defect, and one not directly related to the technique of Sewage collection and disposal lies in the utter neglect of the economy of Sewage removal and disposal. The one and only problem the Municipality seems to have considered in this regard is the mere disposal of the sewage; and they have given not a thought to the utilisation of that sewage, from an economic stand-point. True Municipal Economy, like true National Economy, often transcends the mere considerations of £. s. d. But in regard to the utilisation of the city sewage, as the example of Berlin already quoted shows, we could in Bombay have made immense savings if the authors of the drainage system and the administrators of municipal affairs had thought of utilising commercially the sewage from the city. It is a valuable manure, and can easily fertilise considerable areas. The question of gradient—especially for a flat, low-lying city like Bombay—presents, indeed, a very considerable difficulty, if the sewage is to be carried to the land intended to be manured by gravitation alone. But where gravitation fails, pumping may be resorted to, and sewage may be lifted and carried to the land in question by more elaborate arrangements. At the time Berlin adopted her present system, artificial purification of sewage, and the manufacture of fertilizers therefrom would have been quite possible to German scientists and engineers; but they wisely preferred the natural purification system. "Immense research was bestowed upon the subject, with the result that Berlin drainage is the most perfect in the world and is unquestionably that city's most notable achievement in Municipal house-keeping."†

The total extent of land irrigated and developed by Berlin from her sewage is 44,000 acres.

"Nearly one-half of the total area of the sewage farms is used for irrigation purposes, and about 400,000 cubic yards of sewage, drawn from the city and a number of adjacent towns and communes, are treated daily. Of the rest of the area, 11,660 acres consist of corn land, meadow land, garden land, small holders, and labourers dykes, water,

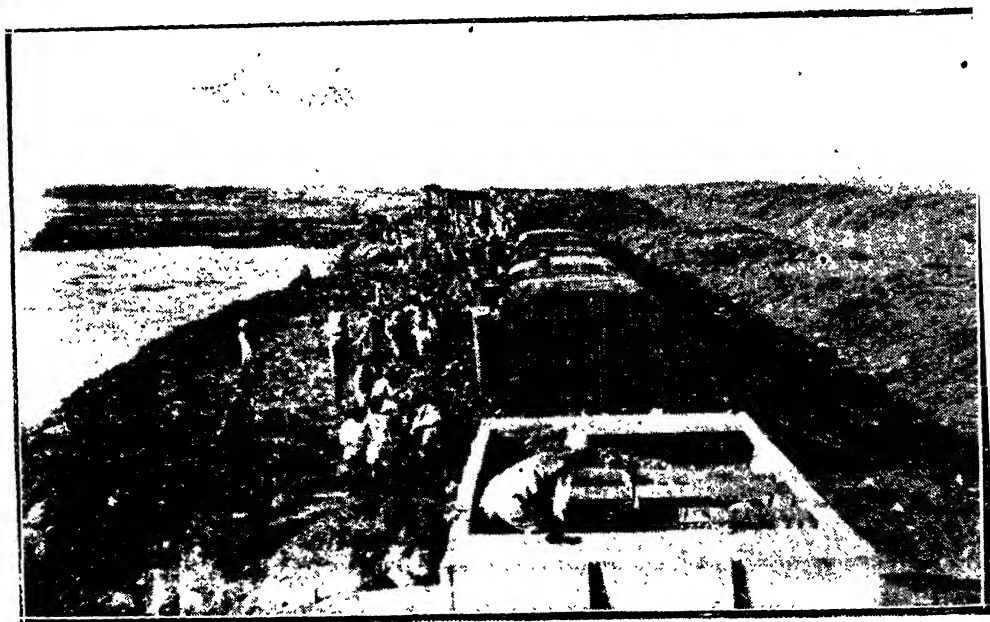
\* Vide p. 263 op. cit.

† op. Shaw; op. cit. p. 337.





Electric Lorry—Loaded.



The Kutchra Train at Deonar (Bombay) Ready for Dumping.

railways and roads, and there are 8,750 acres of forest. Some of the farms produce fruit and vegetables for the Berlin Market. The farm administration provides dwellings for married men and a large lodging house for unmarried labourers who are unable to find accommodation in the nearer village."\*

As there is a population of over 40,000 housed on these sewage farms, it is evident that these areas cannot be unwholesome for the people who live and work upon them. In fact, the farms are so free from deleterious influences that convalescent colonies from the city hospitals have been established upon them with very satisfactory results. If Berlin with a population of 4 million souls could from its sewers manure and fertilise 44,000 acres of barren sandy soil, why could, not Bombay city, with a million and quarter inhabitants, fertilize at least 10,000 acres of land at the foot of the ghauts with their copious rainfall, and easy access to the most magnificent port and market in the East? † It has cost Berlin—in the land purchases and sewage construction—some 8 or 9 crores of rupees. With half that outlay,—if not much less still,—the Bombay city sewage, properly collected and employed, may bring to the city revenues very substantial additions from such lands, considering the infinite possibilities of garden land and intensive cultivation of land near a huge city, and with the purse of such a rich community behind it. But of this aspect of the case, we shall have more to say in a later portion of this work.

## XII.—Other Refuse, Garbage &c.

Municipal arrangements for the collection, removal and disposal of other kinds of refuse from the city in India have not yet come to the highest standards prevailing in European and American cities. It is still left largely to the habits of cleanliness of individual house-holders to properly remove and dispose of rubbish and garbage. Rubbish heap is a frequent sight in Indian cities; but the more advanced of them provide road-side or street-corner waggons for the deposition of house-hold refuse of all kinds. From these the municipal collecting agency—nowadays motor lorries in the principal cities,—convey the refuse to a central depot for final disposal. Calcutta has an incinerator; and Bombay has recently erected a refuse pulverising station, which is expected to reduce considerably the bulk of the refuse, and so diminish the cost of transport. The entire refuse of the city is conveyed to Deonar—a village some 12 miles from Bombay—by two special trains daily; and there dumped into low-lying marshy ground, which is being thus slowly reclaimed for cultivation. Hitherto 237 acres have been so reclaimed

Removal and  
utilisation of  
other Refuse.

\* W. H. Dawson, *Municipal Life and Government in Germany* p. 171-2.

† Plenty of land is still available for Bombay within a radius of not more than 20 miles from the northern boundary of the city, which would cost roughly not more than 1000 per acre—or a crore in capital outlay on land. The tunnels and pipings and pumps and reservoirs for the sewage collection conduit and distribution might cost another crore at most, if an eye is given to economy. The resultant produce, however, would far more than suffice to pay for the Interest and Sinking Fund charges, and leave a handsome margin of profit besides.



out of some 800 and odd, and the land thus reclaimed is let out for Rs. 30,000 per annum to a cultivator, who raises 4 crops of vegetables on it per annum, employs 300 labourers, and presumably makes good profit for himself. Here is economy as well as sanitation.

### XIII.—Public Health in India : Curative Measures.

#### Curative Measures.

Next, let us consider the measures adopted for the cure of disease. All the important centres maintain some sort of general hospital accommodation, with institutions specialised in infectious diseases. But the supply falls far short of the demand. In a city like Bombay, which claims to be the *urbs prima* in India, the municipal corporation maintains but one hospital for infectious diseases. In the Marathee Plague Hospital, they have accommodation for 106 beds, of which 26 are practically unfit for use; and, there is another hospital for plague cases.\* Since the current year, another large hospital, the King Edward VII Hospital, has been added to the Municipal possessions in this regard. A laboratory maintained by the Municipality is busied with analysis chiefly of samples of water, milk and other articles of food and drink submitted to it.† There are also Maternity Homes and Dispensaries for out-patients.

#### Hospital Provision and expenditure.

In Calcutta, the Corporation maintains not more than a few dispensaries and an hospital. In Madras they have, under the Municipality, a special lying-in-hospital, a General Hospital and several dispensaries, including those worked

\* The following statistics of the work done in the Arthur Road Hospital in Bombay will serve to give some idea of the activities of that institution :—

The total number of patients admitted to the hospital in 1923 was 838, of which:

Small pox cases were	..	..	..	554
Chicken-pox	..	..	..	5
Measles	..	..	..	2
Cholera	..	..	..	185
Influenza	..	..	..	8
Cerebro-spinal Meningitis	..	..	..	12
General	..	..	..	72
The average weekly cost per patient was Rs. 16-7-8 made up of :—				
Diets	..	..	Rs.	7 8 2
Medicine	..	..	..	2 8 3
Clothing	..	..	..	4 6 0
Disinfectants	..	..	..	0 10 6
Stores	..	..	..	1 6 9

† The Municipal Laboratory analysed chemically, in the same year, 5113, of which

Food-stuffs were	..	..	..	4409
i.e. Milk	..	..	..	4267
Butter	..	..	..	10
Tinned food	..	..	..	96
Ghee	..	..	..	10
Oils	..	..	..	26
				4409
Waters	..	..	..	225
Urine	..	..	..	326
Sewage	..	..	..	63
Lime	..	..	..	24
Other Samples	..	..	..	66
				5113

on the Eastern and those on the Western system, working under subsidy from the Madras Municipality. On its lying-in-hospital, Madras spends about 30,000, to 35,000 per annum; while for the rest of the hospital aid, it considers its municipal conscience discharged by a grant of Rs. 20,000 per annum from the Municipal funds. Calcutta spends over 2 lakhs per annum on hospital and dispensary provision under the Municipality, while under the single head of Hospitals, the net expenditure of the Bombay Municipality was Rs. 9,16,269 in 1922-23, and Rs. 8,49,512 in 1923-24. The Rangoon Municipality has a Contagious Diseases Hospital of its own—the one hospital for the poor of Rangoon with 270 beds—and a dispensary, besides a Municipal Laboratory.

The above does not, of course, give any idea of the total hospital and dispensary provision in Indian cities. Government and private charity or private enterprise may have combined to establish in the principal cities of India fairly considerable hospitals, where they have facilities for almost every kind of medical or surgical treatment required. But, speaking only for the Municipal enterprise, we cannot help remarking that the Indian city's contribution to the alleviation of disease, when a citizen has actually been taken ill, is of the slenderest possible. When there is no sufficient provision for hospitals or dispensaries, it would, of course, be absurd to expect that the Municipalities should provide, for example, medical advice and attendance, nursing and medicine, to a citizen in sickness. The city's duty towards alleviating pain and combating disease has still to be recognised. The Municipal conscience has not grasped its plain duty to insure the citizen against the everyday calamities of sickness and infirmity; and what the citizen cannot command as a matter of right, he rarely obtains as a matter of charity. For in the latter case, influence counts for a great deal—much greater than the well-to-do comfortable classes are usually aware of; and the classes which most badly need advice and treatment in illness are the classes least likely to command influence for proper hospital treatment in their hour of suffering. Hence the habit of the poor sufferer in these huge centres of population is to fly to his native village every time vice or neglect or poverty takes the shape of active disease on his body. Health officers and social students have remarked upon this tendency of the industrial population in India times out of number; but they have almost always failed to diagnose the evil quite correctly, and apply the only remedy as courageously. The Indian Municipality, —and the authority that designs or limits their powers—needs to be educated to a pitch where it would recognise as one of its primary duties to insure against sickness all the citizens within its limits, and to provide for treatment in the regular way, and as matter of right, to all such insured persons. Such a policy would not only necessitate hospital accommodation and dispensary provision on a much larger scale, but also demand a municipalisation of doctors and nurses, drugstores and nursing homes, conveyance facilities and recuperative establish-

Supplement-  
ing by private  
charity.

ments, without which life in an industrial centre must remain an unalloyed curse. But the Indian city is still very far from realising this duty, as the average Indian citizen is far from understanding his right.

#### XIV.—Measures to Promote Public Health.

Health cul-  
ture.

If Indian cities are lamentably deficient in their equipment for combating disease, they are equally behindhand in the provision of all those amenities which would promote the general health of the citizens within their municipal limits. One of the most urgent problems of civic reform, from the point of view of public health, is the improvement of the housing conditions, which affect the health most injuriously of 4 out of every 5 citizens. We shall however treat of this in a special chapter on Housing Reform. Here we need only observe, that the provision of all these amenities—such as public parks, recreation grounds, open spaces of all kinds, bathing and swimming facilities—which are calculated to make city life at all tolerable and the menace to the health of the individual under the conditions of modern city living at all diminished, is very much lacking in Indian cities. Maidans and open spaces of a sort, and Botanical and Zoological gardens of some pretensions are no doubt to be found in the principal cities of India. But the definite correlation between public parks and open spaces and the health of the city as a whole does not yet seem to have been established in this country. Provision of air, light and space is indispensable to the preservation of life, to the maintenance of health, to the increase of energy; and the city that neglects this condition must needs pay a heavy toll in the shape of civic mortality. In the most industrialised and at the same time the most municipalised countries of the West—England and Germany to be particular—the most meticulous attention is paid to this detail of civic life. Parks and playgrounds within the city limits abound in Britain; while, if we add forest space and woodland reserved for the benefit of the city population, Germany certainly leads. Mr. Dawson observes:—

“Most of the German parks are of the decorative order—made to be seen but not handled too closely—and do not offer the facilities for free movement which the town dweller so sorely needs. Of late, however, more attention has been given to the provision of parks of a truly recreative character—people’s parks in the widest sense, offering to adults and children equally unrestricted opportunities for healthy exercise and sport—walking, games, swimming and bathing, gymnastics, etc. and where, above all, everybody may everywhere walk on the grass at will. The Treptow Park in Berlin is a park of this kind, and Hamburg, Dusseldorf, Cologne, and Lubeck are only a few of many other towns which have departed from the conventional idea of the park as a sort of barred-and-bolted museum in green.”\*

Recreation  
grounds.

As the outlay of parks, recreation grounds or open spaces of all kinds is inextricably connected with the question of Housing Reform, it would be as

\* W. H. Dawson, cit. p. 175.

well to discuss this question more fully along with the general problem of civic housing. We need here remark only that the modern Indian city is lamentably backward in such an equipment.

As for the provision of bathing and swimming facilities, the great Indian cities on the shores or the banks of great rivers have considerable natural facilities, which are further aided by the habits of the people, large sections of whom are enjoined by their religion to have daily baths. These natural and peculiar facilities are, however, not exploited by the Indian municipality, as they well might be, by the construction and equipment of specially attractive swimming baths, in which it would be a pleasure and a privilege to swim. Here, as in most other instances of providing civic amenities, Germany leads the way, the public baths of Mannheim or Munich being models of sumptuousness that have rarely been equalled and nowhere surpassed. In India, climatic conditions are favourable to open air baths; but still the Municipality cannot be said to have done all it well might do when it merely leaves the river or the sea open to the daring swimmer, or the enterprising and profit-seeking private bath-builder.

As the provision of efficient and adequate bathing and swimming arrangements is good for all classes of citizens, and is particularly beneficent to the children, many schools in European countries have swimming-baths attached to them. In India, however, where climatic conditions, social usages and personal predilections particularly predispose a child to habits of cleanliness, the town it lives in seems scarcely to be conscious of the great part played by cleanliness in promoting public health. School hygiene is of the meagrest in this country, and the amenities of school life to the growing child largely a matter of long purse. Clubs of all sorts, for every variety of exercise or recreation, have to be formed in Indian cities; and they unavoidably exact a tax or fee from the members, which is often prohibitive to the average Indian parent, with the fatal result that the health of the child gets insensibly undermined in the most formative period of its life.

Bathing and  
Swimming.

## CHAPTER IV.

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### HOUSING REFORM.

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#### I.—Housing Reform a modern problem.

Factors origi-  
nating Housing  
Problem.

Attention to improved housing conditions may fairly be claimed to be the product of the modern age,—the last half-century or so to be particular. We have already alluded, in a previous chapter, to the conditions that bring about acute congestion of population in large centres of modern industry and commerce; and the definite limitations of space imposed by geographical conditions on island cities like Bombay or New York have compelled the ingenuity of man to find an outlet into a perpendicular expansion when lateral extension was out of the question. Though the sky-scraper of the Americans has not yet got a footing in Indian cities, the conditions which gave birth to the sky-scraper in the West are fully paralleled, essentially speaking, in the great Eastern cities like Bombay or even Calcutta. In either case, moreover, the motive power is the same *viz.* search of more profitable employment by large masses of population in the growing industries with all the adjuncts that modern industry and commerce require in large cities. The bulk of the people in modern cities are very poor, as standards of wealth go in the cities. And hence the problem of their housing going hand in hand with the problem of the growth and expansion of the city, becomes an obsession, of every modern municipality of any considerable dimensions. The lateral expansion is further rendered difficult by the absence of cheap and rapid transport to enable the worker to go to and from his place of work, especially if the house is at a considerable distance from the place of work. A new complication—of transport—is thus introduced into the already difficult and complicated problem of Housing Reform in modern cities; and the whole is demanding urgently and aggressively the attention of City fathers everywhere.

#### II.—The Ingredients of the Housing Problem.

Health and  
Housing.

Apart from the complications mentioned above, the main, original problem of Housing Reform is difficult enough, owing to a variety of aspects involved, chief among them being the aspect of the Public Health. Speaking of the housing conditions in the city of Bombay, the Health Officer wrote in his annual report for 1920:—

“In the congested areas of the City, houses four and even five storeys high will be found attached on either side, and separated in the rear from a similar row of houses by a gully often less than six feet in width, which takes the overflow from privies and affords access to the sweepers for the removal of the

"privy baskets. In a number of rooms, the only source of light and ventilation except the door by which they are entered, is a window opening on the gully. Rooms so situated on the ground floor of a five-storey building are practically without light, and such stagnant air as can be admitted by opening the window is necessarily pervaded with the stench of the overflow from privies, and of *kutchra* thrown into the gully from the windows above."

In the years 1918 and 1919, measures on a considerable scale for the closing of rooms unfit for human habitation were adopted, and a number of rooms were either closed or improved. As the work proceeded, it became more and more apparent that the persons evicted either found themselves homeless or added to the overcrowding which already existed by moving into rooms occupied by other families. Therefore as in the case of the conversion of privies, action has now been limited to the worst cases, and to those rooms which from their structure and plan are capable of improvement. The danger to the public health from such habitations is not confined to the immediate inhabitants of these insanitary dwellings; for the constant intercourse, in the way of business, recreation or amusement, of these slum-dwellers with the rest of the citizens cannot but act as the most efficient means for the communication of all these diseases which are transmissible by contact or infection. The slum is a menace also to the morality of the city, inasmuch as the promiscuous mixing and living together without privacy of any sort, of all ages and both sexes, must needs relax the bounds or rules of morality which are further weakened by the instinct of imitation feeding upon the common city vices—drinking, smoking, drugging, gambling, and loose-living of all kind.

Besides this social, hygienic and moral aspect, there is the economic aspect, which imposes an obstacle almost insurmountable except by heroic measures. The **Widower's Houses** are a most common feature of modern city life: and their land-lords, deriving huge rents from the most insanitary, but most crowded and therefore most paying properties, are most difficult to compensate and satisfy, unless the city authorities or the State Government resorts to radical measures hinged upon the doctrine of eminent domain. Paris did so in the middle of the last century to facilitate and carry through Baron Hausmann's scheme for the development and beautification of the city. Government possesses, indeed, in this country also, powers for a compulsory acquisition of private property when wanted for public purposes, subject to a reasonable compensation to the private proprietor of 15% over cost price or market price. But though the Government in India in other departments has gone pretty far in the domain of collective enterprise, the sympathies of the powers that be are still eminently individualistic; and so the private profiteer in slum properties flourishes in Indian cities, even more than in the western strongholds of private proprietorship or capitalism. The result is that no scheme of housing reform in Indian cities is conceivable,—or has a chance of working smoothly—which does not burden itself from the

Housing Un-  
fit for Human  
Habitation.

Economic As-  
pect of  
the  
Housing Prob-  
lem.

outset unconscionably in trying to placate and compensate private interests standing in the way of housing reform. It may also be noted in passing that the economic difficulties of Housing Reform are not ended when a municipality has bought out the private owner of slum properties in the heart of a modern city. It almost invariably happens that the accommodation provided on the sites of the slum properties destroyed is less than was available to the dishoused, or evicted population.\* Among the town planning enthusiasts of the present age, there are few,—with the notable exception of Prof. Patrick Geddes,—who have given any thought to this aspect of the problem. For the housing of the dishoused people, new sites must be had and developed; which again would furnish an additional occasion for the display of private greed, land speculation, or profiteering at the expense of the community. And when all this has been accomplished; when the slum has been destroyed, the profiteer counteracted and new buildings put up on the old or reclaimed areas, with a sufficiency of clean air, and good light, and adequate water and proper drainage facilities,—there still remains the greatest of economic difficulties, the ability or rather the inability of the city-worker to pay an economic rent on these new houses or tenements. If the housing authority,—be it a private-builder, a co-operative society, the Municipality, or the state—seeks to recoup itself for the capital—including interest,—invested in these projects of housing reform, it is almost always certain to make the remedy worse than the evil from the point of view of the evicted tenants; for they cannot bear the rent-charge which would suffice to the house-building authority to pay its interest and sinking fund charges on the capital cost of the new houses.†

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\* The following passage from the Bombay Municipal Health Officer's Report 1920 is very pertinent and instructive:

"The City Improvement Trust in the last 21 years has provided 19222 new tenements against 23755 tenements demolished. In the year 1919-20, the number of new tenements provided by the Trust exceeded the number of tenements demolished by 1994.

The policy of the Trust as described in their annual Reports has in the main been one of indirect attack on the slum areas, by the development of residential estates laid out in the sparsely populated districts of the island, with a view to attracting the middle classes from the central congested zone. For the indirect relief of crowded areas the Trust has also supplemented private enterprise in the erection of chawls for the poor. Direct attack on the slums has in the meanwhile been confined to the few small areas in which bad plague spots would be eradicated without dishousing too many people at once."

† Says the Bombay Development Department Report 1922-23:—

21 The question of Rent—The rent charged for the rooms has also been the subject of criticism, and it has been pointed out that many of the labouring classes now live in rooms for which they pay Rs. 4 to 5 per month, and it is asked how they can be expected to pay the much higher rent for the rooms in the Directorate chawls. The reply is that at the last census in 1921 there were 175,000 single room tenements in Bombay, the majority in old insanitary buildings in crowded localities separated from each other in many cases by a sweeper's gully only 2' 6" wide. It is not possible to construct, at present prices of land, materials and labour, modern sanitary buildings with large open spaces, such as those at Worli at the same economic rent as the older types, and the additional accommodation now being provided will naturally be occupied by those who can best afford it, which will set free a number of the older, cheaper, rooms for the poorest classes.

23. There has been considerable confusion in regard to "economic rent," and it has been seriously contended that if a tenement costs Rs. 1,000 to build, and the money to

Next in importance to the socio-economic aspect of the civic housing question, is the problem of transport or communications between the residential and the business areas of a great modern centre of population. If the intra-city means of transit are owned and managed by the city authority itself, the problem would be relatively simpler; as it would then be a question only of making some financial sacrifice or readjustment to provide the facilities required. But, if as often happens in India, the transit facilities of a city are owned by private corporations, who are entrenched in a monopoly granted by short-sighted municipal authorities, and who may be in a position to defeat all schemes of civic improvement and housing-reform if their demands for compensation of some sort are not complied with,—the problem becomes more difficult than ever. (c) The difficulty of Transport.

### III.—How Housing Reform has been effected in other countries.

Given the principal requirements of civic housing in great industrial centres to be : provision of adequate light and air, sufficient water supply, and drainage facilities ; cheap, rapid, regular easy transit arrangement between the industrial and residential areas (if the two are not in close contiguity with each other) ; establishment of good, spacious parks and play-grounds and recreation arrangements of all kinds ; and premising, further that the essential features of the civic housing problem are pretty nearly the same in all countries with modern industrialism, it would be interesting to note what efforts have been made to solve the housing problem in some other countries. The Analogy of other countries.

In the creation of the housing difficulties, the German city, leading in most of the departments of municipal activity, has as many sins to answer for as any other modern industrial and commercial city ; but it has also made efforts at providing remedies—scientifically thought out and rigorously applied—in which it well might claim to offer a model for the rest of the world to copy. Housing Reform in Germany.

*(Continued from previous page.)*

build it is borrowed at 7 per cent., the rent should not exceed Rs. 70 per annum, or say Rs. 6 per mensem. The actual capital cost includes, besides the cost of the building, the cost of land, roads, drainage and water-supply, together with provision for establishment charges, plus interest on the expenditure during the period of construction. To the annual interest on capital sum thus arrived at, must be added sinking fund to replace the buildings at the end of their assumed life, which give the nett rent, or the nett income required to cover expenses. In the case of the Directorate chawls, the average nett rent is in the neighbourhood of Rs. 10 per mensem. There is then the question of "outgoings," viz., repairs and management, Municipal taxes, vacancies, bad debts and insurance, and it is customary in Bombay to take outgoings as 33 1/3 per cent. of gross rent. In other words, the ordinary landlord must charge Rs. 15 per mensem to secure a nett rent of Rs. 10. In the case of the Directorate chawls, the gross or economic rent is taken on the average at Rs. 14-8 per month, due to the fact that Government buildings are allowed a small concession in the matter of Municipal taxes. The detailed calculation of the economic rent of 1,520 tenements at Naigaum, plot A. is printed as Appendix A to this report.

The programme provides for the completion of 26,000 tenements by 31st March 1926, by which date, if not before, it will be necessary to consider three alternatives, an increase in the rents, an increase in the cotton cess, or a curtailment of the programme. The total expenditure on the Bombay industrial Housing Scheme up to 31st March 1923 amounted to Rs. 1,25,66,252.



"In the solution of the problem," says Howe in his *European Cities at work*.\* "Germany has adopted three general policies. In the first place the land within and without the city is planned with great care to prevent the reappearance of tenement conditions in the new quarters. Secondly, the Municipality either builds or promotes the building of suburban garden communities or the erection of model apartment houses in the city. A third policy is the taxation of vacant land at a higher rate than improved land, to force the owner to build. In addition, the cities generally own the means of transit, which, together with the state-owned railways, are used for the distribution of the population out into the country and surrounding villages."

As illustrations of these policies, we might mention first the case of Strassburg. In Germany as in India, the industrial age has been characterised by the growth of the huge barrack-house, which, though not a sky-scraper, still accommodates several hundred people under the same roof in great cities like Berlin. A movement has of late set in, by way of reaction, in favour of the small house, often erected on areas reclaimed at considerable outlay by the Municipality. In Strassburg "The town has acquired for about £600,000 a large area of narrow streets in the old Town, and intends to demolish this property and construct a wide and handsome boulevard from the central railway station into the heart of the business quarter. Instead of itself building or negotiating the sale of the land that will be available for buildings, the town has entered into an arrangement with a bank, which will dispose of the available sites at minimum prices and pay the town a fixed share of the profit. Where possible, the land will be sold on lease for a term of 65 years but the rest will be sold outright. Leaseholders will pay interest only slightly above that payable by the town on its loan, and at the end of the term, the whole of the buildings will become public property without further consideration. Where the land is sold outright, 20 per cent of the purchase price has to be paid down at once, and the balance must be paid with interest in ten years."† On the other hand, Ulm, a small municipality comparatively, has gone the farthest in constructing and supplying municipally-owned tenements. Purchasing large tracts of land adjoining the town limits, it has developed these suburban areas municipally, and then resold a portion of the improved sites and erected cottages and cottage-flats on the remainder. To the workers, the municipality in Ulm sells cottages on easy terms, or if they prefer, allows the tenements to be rented. Friburg follows a similar policy.

Where the city does not directly build and supply tenements for the people, it nevertheless helps co-operative enterprise to supply the need. In Berlin, they have tried very successfully this co-operative basis of housing-reform, and provided workmen's tenements, which, though still on the barrack-house plan, are nevertheless a great improvement on the old housing conditions.

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\* Op. cit. p. 161.

† Dawson op. cit. p. 146.

In Rome, the Municipality encourages the formation of a corporation, with directors working honorarily and appointed by the Municipality, to provide model tenements as a philanthropic venture. The city provides the funds needed as a loan to this corporation, the loan being repayable to the city in 50 years, with interest at 3 p.c. This building corporation provides for the construction, maintenance and renting of the buildings. Another private company for house-building in Rome is busy providing a new type of working men's tenements, which effect a revolution in the prevailing notions as to what should and can be done to secure housing-reform. This company, with the help of a great housing engineer, Talama, provides 5 storey houses so arranged in groups as to enclose a common courtyard. Though the houses are built in three grades, to suit the varying ability of the different classes of people, the plan followed is essentially the same in all the cases, the only difference being that the number of rooms to a dwelling varies in the different classes. The buildings are constructed of brick and the floors of tile. Adequate lighting and up-to-date sanitary arrangements are also provided, with a common caretaker for each group of tenements. A notable peculiarity is that in each group several rooms are set aside for the common use of the tenants to encourage a community feeling, one such room being fitted up as a library and reading-room, and another as a sewing-room, in which the Company provides electrically driven sewing-machines for use by the tenants for a very small fee. There is also a common store-house for bicycles and perambulators, and common bath-rooms separate for men and for women. Again there is a dispensary, with a qualified medical practitioner in charge, whose advice and medicine are free to tenants, and whose visits, if required, may be paid for by a fixed moderate charge. This practice has naturally affected the rate of mortality—it being reduced out of recognition. Finally, there is a Montessori School for children between 3 and 7 years of age in the tenements.\*

The example  
of Rome.

The practice common in European countries of taxing vacant sites helps materially to stimulate and prevent the property-owner from indulging in land-speculation to an inordinate degree. At the same time, the building regulations in those countries are sufficiently exact and meticulous, and their practice of dwelling-inspection sufficiently rigorous, to make the housing conditions in all new localities at least tolerable and human. The zone system of building regulations imposed definite restrictions upon the amount of lots and sites that could be taken up with the building proper. Various sections of the city, moreover, are mapped out and set apart in advance, one for factories, another for mercantile houses, a third for residential districts; and these zones are not suffered to intrude upon one another in any way. Within each zone, again

Indirect action of Municipalities in stimulating housing reform.

\* See Pollock and Morgan's *Modern Cities* Chapter on Housing, and on Recent Developments in Education.

municipal regulations differ as to building or as to taxation. "In Cologne, for example, 25 p.c. of all building lots must be left vacant in the central or business zone, and 35 per cent in the zone of detached residences."\* Frankfort-on-the-Main has acquired land for building workmen's residences in the heart of the city (157 acres); and has obtained powers, under a special law called the *Lex Adickes*, to enable the city, in its enterprise of suburban development, to pool all the building lots owned by private proprietors in a locality, and then to redistribute the same amongst the owners. A single land-lord or even a few of them cannot by their cupidity hold up a whole scheme of civic development, for in Frankfort it would be quite enough if one-half of the land-owners owning one-half of the land concerned, should agree to such a plan of pooling and redistributing.†

Urban Transit in European Municipalities.

In every such case of civic improvement, of course, they never forget in Europe the vital influence of transit facilities on housing-reform. Of the 50 largest cities in Germany, 23 operate their own street-railways, while in Great Britain, 42 out of 50 carry on a like enterprise municipally. The possession and operation of their own means of transport have helped many a European city to tackle the problem of housing-reform and of decongestion of population far more successfully than would have been possible without such a leverage. Workmen's tickets at a very heavy reduction and school-children's season tickets are a regular feature in every instance of municipality-owned means of transit. And the service rendered compares most favourably with the best efforts of the private, profit-making entrepreneur. Every attention is paid, not only to the beautiful designing of the cars and the permanence of the tracks, but also to the convenience of the passenger. The employees have to be scrupulously courteous and obliging; and the passengers need not fear delay, discourtesy or detention. The service is charged for under the zone system with strictly defined maximum rates; and maps and indicators are provided within each car to enable the passenger to know his route and position at once. The car-routes are so laid out as to minimise transfers, the cars themselves being so painted and numbered according to their different routes as to make even a child pursue its journey without the slightest difficulty. In Berlin, where private enterprise still dominates the city transport system, the rate is a flat charge of a little over an anna for the maximum ride of 18 miles; while to workmen, weekly tickets are issued for about 9 annas for a daily double journey of any distance. To school-children the concession goes still further on the city tramways, they being charged 28 annas for the month for any number of journeys. Berlin's elevated electric railroad is so solidly, carefully constructed, that it seems to have abolished all the noise usually associated with such means of transport, owing to the heavily ballasted track. In Belgium, which leads the world in the

\* cp. Munro *Principles and Methods of Municipal Administration*, p. 66.

† See Howe *"European Cities at Work"* p. 80-81.

matter of transport in so far as it relieves most effectively the civic congestion, the concession goes still further, for a man may live six miles in the country and travel to and from his work six days a week for 24 cents (i.e. 72 miles for 10 annas or 7 miles for an anna); he can travel 31 miles and pay but 43 cents (i.e. 17 annas for 372 miles or one anna for 22 miles roughly) and he can travel 62 miles and pay about 60 cents a week, or one anna for 31 miles."\* Lest this may not give a complete idea of the concession to the suburban working man, the same authority adds: "While the ordinary fare in a third class compartment is 58 cents for a single return journey of 31 miles, a workman in Belgium can travel this same distance to and fro six days in the week for 43 cents."

#### IV.—Housing Reform in Indian Cities.

With this knowledge of what municipal effort can achieve by way of housing reform for the hardpressed working-classes in a city, let us now consider what Indian Municipalities have done in this regard in the cities entrusted to their care. The housing problem is most distressingly acute in India in the cities of Bombay and Calcutta. We shall accordingly confine our attention to those two centres, as they are typical of industrial congestion wherever it develops, as well as of the remedies that are possible to apply under existing conditions in India.

Our study confined to Bombay and Calcutta.

##### A. Housing of Working Classes in Calcutta.

Says the Industrial Commission of 1916-18, a propos of housing conditions in the Eastern metropolis:—

Housing conditions in Calcutta.

"The Labourers live as a rule in what are known as **Bustis**, collection of huts in the neighbourhood of the mills, which are neither owned nor leased as a rule by the mill management, but are often the property of the Sardars (who recruit the mill labour). This last is an eminently undesirable practice. In these **Bustis** the workers are poorly housed among surroundings usually insanitary and unpleasant, though praiseworthy efforts to improve matters have been and are being made on an increasingly large scale by mill owners, who have erected dwellings on or near the mill premises for a proportion of their labourers."

The real picture of conditions in a **Busti** needs to be seen in order to be believed. The following sketch from an official report of the Municipal Administration for Calcutta of 1868 describes a position which even now is scarcely altered in its main outlines.

"A **bustee**, or native village, generally consists of a mass of huts constructed without any plan or arrangement, without roads, without drains, ill-ventilated, and never cleaned. Most of these villages are the abodes of misery, vice, and filth, and the nurseries of sickness and disease. In these **bustees** are found green and slimy stagnant ponds, full

\* Howe op. cit. p. 185.

of putrid vegetable and animal matter in a state of decomposition, and whose bubbling surfaces exhale, under a tropical sun, noxious gases, poisoning the atmosphere and spreading around disease and death. These ponds supply the natives with water for domestic purposes, and are very often the receptacles of filth. The arteries which feed these tanks are the drains that ramify over the village, and carry the sewage of the huts into them. Their position is marked by a development of rank vegetation. The entrances of these **bustees** are many, but not easily discoverable, whilst the paths are so narrow and tortuous that it is difficult for a stranger to find his way through them. The huts are huddled together in masses, and pushed to the very edge of the ponds, their projecting eaves often meeting one another, whilst the intervening spaces, impervious to the rays of the sun, are converted into necessaries, and used by both sexes in common. In these huts often live entire families, the members of which occupy the single apartment of which it is not unfrequently composed, and in which they cook, eat, and sleep together; the wet and spongy floor with a mat spread on it serving as a bed for the whole. None of these villages possess a single road or thoroughfare, properly so called, through which a conservancy cart or even a wheelbarrow can pass in order to remove the filth. This filth is laid at the door of every hut or thrown into a neighbouring cesspool."

Busti reclaiming and improving in Calcutta.

The task of reclaiming and improving these **Busti** areas is, indeed, not unattempted in Calcutta. The Municipal Corporation tried, as early as 1858, to acquire a **Busti** plot of 9 **bighas** and 5 **kothas** for Rs. 45,000 (the **Dunkin Busti**); and on a part of this land a tank was excavated to supply wholesome water, while the remainder was sold at once in 4 plots for Rs. 27,427 "on the express condition that houses valued at not less than Rs. 100 per mensem should be built thereon." The success of the scheme prompted 3 more experiments in quick succession on identical lines of acquisition, improvement and resale of the areas as building sites. In 1863, the Calcutta corporation was armed by law with powers against the owners of **Busti** lands; but notwithstanding a report of the then Health Officer in 1871 pointing out specific **Bustis** against which action should have been taken, the Justices—as the commissioners were then known—shrank from the responsibility. In 1876, the corporation obtained further powers to have any **Busti** inspected by two medical officers, and to call upon the owners to carry out any reforms suggested by these officers. If the owner refused, the work was to be executed by the Corporation at the cost of such owner. And lest the corporation should shrink from its task, the Local Government was authorised to interfere in the event of such a shirking of its duties by the corporation. These powers, however, remained more or less a dead letter, the corporation preferring conciliatory to compulsory action. Direct outlay by the Municipality in regard to **Busti** improvement was commenced in 1883-4 with excellent results. The administration Report of that year estimated that the value of 5 **Bustis** improved in that year, at a cost of Rs. 1,84,000 to the Municipality, was increased by Rs. 13 lakhs, and the rates from the improved area rose by Rs. 11,000 per annum. But despite these excellent results, the progress was slow, while the roads and passages opened in the improved areas hardly brought enough light and air to the

unfortunate inhabitants. In 1888, the problem of **Busti** improvement was allowed to be tackled in two alternative methods. The **Busti**-owner was given the option to prepare a scheme of improvement for consideration by the corporation; and the plan as finally approved by the commissioners had to be carried out by the owner, on pain of the corporation refusing to sanction any building of huts until their orders were carried out. In the alternative, the corporation might appoint two medical officers to prepare, after inspection, a standard plan of any **Busti**, with a list of works—roads, sewers, water mains &c.—to bring the area into conformity with the plan. In default of the owner carrying out the proposed changes, the corporation had powers to do so at the owners' cost, but this latter principle was abandoned in 1904.

"Between 1906 and 1914 about 11 miles of well-laid macadam roads, usually 20 feet in width, have opened up several of the remaining **Bustis** of Calcutta, and 7 miles of sewers have been laid: in addition to the vast improvement implied by these figures, it should be remembered that many large **Bustees** have been swept away and replaced by blocks of masonry buildings, while the ventilation of others has been improved by the opening out of cross-passages 6 or 8 feet wide between huts, and the provision of numerous bathing platforms, public necessities, and a pure water supply for **bustee** residents."\*

The latest Census Report also observes:—

"Especially during the last decade (1901-11) large areas have been acquired and cleared, new roads have been opened, existing roads widened, rehousing schemes undertaken, and small open spaces provided both by the Corporation and at the hands of the Improvement Trust. Ultimately, when the building of the frontage on such important thoroughfares as the new Central Avenue, widened Park Street, the Manik-tola Spur, etc., have been finished, the acquisition for the Improvement Trust will be found to have increased rather than diminished the housing accommodation of the city, as it has certainly done in the case of the Trust's first scheme in Surtibagan: but at the time of the Census of 1921 no new buildings on the frontage of Central Avenue had yet been occupied and few on the sites of other Improvement Schemes."

While all these improvements have no doubt contributed to relieve congestion and to rehouse more humanly the working population of Calcutta, we cannot say that the evil of the **Busti** is altogether abolished. The latest Administration Report of the Calcutta Corporation records:—

"While a great deal of very useful work has been done by the construction of new roads, the provision of sanitary conveniences and other improvements, the condition of **bustees** generally in Calcutta is far from satisfactory and it is unfortunate that an appreciable proportion of the population who inhabit these **bustees** and who cannot afford other accommodation are compelled to live in insanitary and squalid surroundings, and it is time that some steps were taken to secure to them the

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\* *op. Municipal Calcutta* by S. W. Goode, p. 270. All the above details have been abridged from that work.

bare essentials of health and comfort by improving the conservancy arrangements. But this involves a substantial increase of expenditure which cannot be deferred, and the Corporation will have to consider how the required funds can be provided. The matter is also intimately connected with the question of the expansion of the city and the provision of facilities for transit, which are becoming increasingly urgent every year."

### Legal powers of the Calcutta Municipality in regard to Bustee Reclamation.

The Latest  
Calcutta Municipal  
Act.

At the present time, under the reforming Act of 1922, the Calcutta Municipality has acquired no new powers in regard to the reclamation of the **Bustees** and the reform of working-class houses. The Corporation has the right to define, alter, and determine the limits of a **Bustee** (S. 335) subject to certain restrictions. This power has been used in the past and can be used still as the basis of housing reform. The corporation may also acquire a **Busti** property compulsorily. In each case of requisition the Corporation may prepare a standard plan for the improvements demanded, and the onus will then be on the owner to show why the improvement should not be executed (337). Instead of preparing a plan itself, the Corporation may call on the owner to prepare a plan showing the new and improved arrangement of the huts, the drains, water-supply, bathing facilities, lighting means etc. taking care that the streets should be at least 16 and passages at least 12 feet wide. This plan the Corporation may consider and modify and then if approved may prescribe as a standard plan (338). If the owners of such a **Bustee** fail to agree or prepare a plan, or prefer the Corporation to do it for them, the Corporation may have the **Bustee** inspected by two persons, one a medical officer, and the other an engineer; and on receipt of their report, it will have a plan—with improvements indicated—prepared at the cost of the owners, (not exceeding Rs. 5 per bigha) who may bring forward any objections they may have to such plan. After these objections have been heard and the plan modified in consequence, it will become the standard plan of the **Bustee** (339). All other improvements, in the standard plan like drains, streets, privies, lighting, etc., must also be carried out by the owner on being required to do so by the Corporation (343). If the owner fails to carry out the required improvements, the Corporation may itself do so at the cost of the owner of the **Bustee**, (S. 347 and 510) unless the latter is too poor to meet the demand, in which case the expenses that ought to have fallen on the owner of the huts to be demolished may be charged to the Municipal Fund, and those falling on the owner of the **Busti** land should be paid out of the Municipal Fund but be a charge on the **Bustee**. The Corporation may, also, in the alternative, acquire itself an unhealthy **Busti** and carry out the improvements recommended in the report of inspection (351) either by itself or through a lessee or purchaser of the **Busti**. On the standard plan the restriction is imposed that not more than a fourth of the area can be reserved for streets and open passages, and not more than a third

as open land in the aggregate not to be built upon (S. 352). This is intended to secure a minimum of light and air and recreation space to the inhabitants of huts erected on such improved property. Section 359 of the Calcutta Municipal Act gives power to the owner of a **Busti** to take his property out of the **Busti** class by notifying his intention to remove all huts on the property, and by removing them within a specified time. The Corporation also has, under ss. 360-362 powers to prescribe the alignment of streets in a **Busti**, and to require the removal of any hut within such alignment.

Apart from **Busti** improvements, under S. 468, the Calcutta Municipal Corporation can acquire any land and buildings, in or outside Calcutta, for opening out any congested area or for the general improvement of the city, as also for "erecting sanitary dwellings for the working and poorer classes." The execution of such an improvement may be made directly by the Corporation, or through a co-operative building society, or private individual selected by the corporation, subject to the approval of the whole scheme of improvement by the Local Government.\* The growth of the building society, especially on a co-operative basis, does not seem to flourish on Indian soil; and so no great achievement in housing reform seems to have been made in Calcutta on that basis.

The Calcutta Corporation has carried on activities under both these sets of provisions in its constituent act; and the annual administration Reports of that authority contain every year work done under these provisions. On the whole, however, the work has proceeded slowly at best; and the evil of the congested area and unhealthy\* dwellings is yet far from disappearing.

### B. Housing Reform in Bombay.

In Bombay, the housing problem has been attacked, in the present century from two sides, or since 1920, from three. The havoc of insanitary housing was first really perceived by the advent and progress of the bubonic plague in 1896-7. Though there was next to nothing in Bombay corresponding exactly to the **Busti** problem of Calcutta, congestion there was unspeakable, and insanitation in abundance. Bombay suffered—and still suffers—from insanitary dwellings, badly lighted, aired and drained; and the problem was rendered more than ever acute by the evolution of the many-storeyed pigeon-holes which served as dwelling-places for the poorer inhabitants. Congestion was the inevitable result. The Bombay Municipal Act, did not—and does not—contain powers in regard to such dwellings comparable to those of the Calcutta Act in regard to **Bustees**. The sections in the Bombay Act relating to the regulation of buildings in the city at the present day are confined to authorising the commissioner to require: that

\* The efforts of the Calcutta Improvement Trust have not been specifically noted here, as this study is confined to the work mainly of the Municipal authority.



plans and specifications of all new buildings proposed to be erected shall be furnished to him, with special emphasis on the drainage provision and sanitary fittings. The Commissioner may demand that the plans be prepared by a competent surveyor, and that any information he requires regarding the proposed structure be supplied. S. 348 of the latest act lays down detailed regulations for new buildings regarding the light and ventilation in rooms, as well as the superficial area of each room, its openings, etc. The maximum height of the entire building (70 ft.) as well as the height with reference to the width of the street have also been laid down by law. But after all those provisions and regulations relate only to the new constructions. They do not affect the old mischief of insanitary and unhealthy dwellings already in existence. There are, it is true, provisions of the law authorising the Municipal Commissioner to inspect dwellings, to ascertain the sanitary conditions (s. 374) and to require the owners to lime-wash or cleanse their buildings if such an action appears necessary to the Commissioner for sanitary reasons. Provision has also been made in respect of abandoned or neglected buildings, to be taken order with. And, finally, the Commissioner is also authorised, if it appears to him that a building or a room therein is unfit for human habitation to notify the owner; and, after hearing the latter's defence or explanation, prohibit the further use of such building under s. 378, with the previous approval of the Standing Committee. The building or room so banned from use is marked U. H. H. (unfit for Human Habitation); and until the ban is removed the owner or occupier must not use it for habitation. Then again there is a clause relative to over-crowded dwellings,\* which elaborately explains the meaning of the term "over-crowding". Under section 379 A, the commissioner has the right to apply to a Presidency Magistrate to prevent such over-crowding; and the latter, after such inquiry as he thinks fit to make, may prescribe the maximum number of persons to be accommodated in each room, and may, by written order, require the owner of the building, within a reasonable time not exceeding ten days, to abate the over-crowding thereof, by reducing the number of lodgers, tenants or other inmates of the said building."

Limitations  
on Municipal  
action to old  
buildings.

These regulations, however, are applied rarely or with such discretion as not to render the remedy worse than the evil. As already observed in a Municipal

\* The definition of over-crowding, as given in that section (379A) is :—

- (4) "A room used exclusively as a dwelling, shall be deemed to be overcrowded within the meaning of this section when the number of adult inmates is such that the amount of floor space available for each adult inmate is less than twenty-five superficial feet and for each person under the age of ten years less than twelve and one-half superficial feet, or when the air space for each adult inmate is less than two hundred and fifty cubic feet, two children under ten years of age counting as one adult.
- (5) A room not exclusively used as a dwelling shall be deemed to be overcrowded within the meaning of this section when the number of adult inmates is such that the amount of floor space available for each adult inmate is less than thirty superficial feet, and for each person under the age of ten years less than fifteen superficial feet, or when the air space for each adult inmate is less than three hundred cubic feet, two children under ten years of age counting as one adult.

Administration Report quoted before, the authorities are naturally apprehension lest in their zeal to declare habitations to be either overcrowded or unfit for human habitation, they render a growing proportion of the population homeless and so give rise to greater evil than the one they intended to remedy. The negative attack of the municipality on overcrowded or insanitary dwellings has naturally not resulted, by itself, in any appreciable improvement in housing conditions in Bombay, that could be laid entirely to the credit of the Municipality.

There is, however, a second line of attack in the Bombay City Improvement Trust created in 1898. That body has followed a cautious policy, in paying attention rather to the widening and bettering of streets, and in a measure, to the improvement of the actual structure for human habitation, than to the problem of overcrowding, and the insanitation which results as a consequence of it. Until very recent times moreover, the Trust's new constructions fell far short of the structures it demolished as insanitary. The people dishoused had to find accommodation elsewhere. The population was also growing. And so the evil of overcrowding remained as acute as ever, if it did not actually become more intensified. It is the fault of all improvement agencies that they commence first with demolition; but even if their replacements kept pace with the demolition in area as well as with the number of dwellings provided, not to mention the rent cost to the would-be tenant, they would necessarily be making a hiatus in the period of transition which cannot but add to the evil. Another difficulty inherent in operations like those of an Improvement Trust is the unavoidable increment in the values of land which the improvement operations cause; and the consequent increase in the rent demanded in the buildings erected on such estates.

In the 25 years of its existence ending 1923-24 the Improvement Trust of Bombay has spent 15.36 crores of rupees on the task of city improvement. Of this amount Rs. 13.54 crores have been borrowed, and the interest and sinking fund charges amount to Rs. 81 lakhs per year. And yet in its career of a quarter of a century the total revenues of the Trust have exceeded the total expenditure by 1.12 crores, there being only 5 years of deficit (aggregating 26.64 lakhs) and 20 years of surplus, totalling 139.12 lakhs. In these 25 years, the tale of its income and expenditure, under the several main heads, has been as follows:—

#### IN LAKHS OF RUPEES.

INCOME.				EXPENDITURE.			
Rent	..	..	475.3	Maintenance	..	..	72.5
Municipal contribution	..	..	214.7	Municipal Rates & Taxes	..	..	34.5
Interest on investments	..	..	65.1	Interest & sinking fund	..	..	533.4
Miscellaneous	..	..	2.5	Miscellaneous	..	..	4.8
Total..			<u>757.6</u>	Total	..	..	<u>645.2</u>

Direct action  
in Housing Re-  
form: City Im-  
provement  
Trust.

Summary of  
the Improve-  
ment Trust  
work (a) Finan-  
cial.

The balance of profit is appropriated to the capital. In the last 2 years there has been a growing deficit due to the very rapid prosecution of the several projects.

(b) **Building.** As regards the work done against this outlay, the Trust has developed 44.33 laks sq. yards valued at 668.81 lakhs of rupees. The remaining 84.75 laks sq. yards of undeveloped land have cost 479 lakhs of rupees which, on the analogy of land already developed, might aggregate in value Rs. 1,260 lakhs in round terms when developed and improved. This will practically double the value of land coming under the operations of the Improvement Trust, which now holds about 19 per cent of the total area of the City and Island. The developed land, the Trust either leases in building plots to private builders—or it builds its own chawls or barracks for housing the poorer and working classes. There are now 85 such completed chawls with accommodation for 23,404 adults and covering site of 1.13 lakhs sq. yds. erected at a capital cost of 122 lakhs. The rents charged vary from Rs. 3.12 to Rs. 65 per month per tenement. The Marginal table is a good testimonial to the Improvement Trust in regard to amelioration of the sanitary conditions in the city, as evidenced from the mortality rate. With the exception of the Influenza years, there has been a steady decline which is too pronounced, and compares too favourably with the general rate of mortality in the city to be ignored. The point is noteworthy all the more, as very probably of the total area acquired, improved and developed, the area now available for residential purposes must be less than the corresponding area in the pre-improvement days, as it indicates the contribution of the new broad streets and open places laid out by the Trust towards the promotion of general sanitation and public health. The roads fully drained, sewered, and lighted, aggregating 17.94 miles in length and covering 4.39 lakhs sq. yds. in area have been handed over already to the Municipality; while other roads, complete and incomplete, amounting to 28.93 miles in length and 7.13 lakhs of sq. yds. in area, remain yet to be handed over. The following figures sum up the work of the Trust:

Year.		
1912	36.33	
1913	25.49	
1914	27.30	
1915	22.13	
1916	19.44	
1917	17.80	
1918	38.12	
1919	25.20	
1920	15.52	
1921	11.92	
1922	10.61	
1923	9.06	

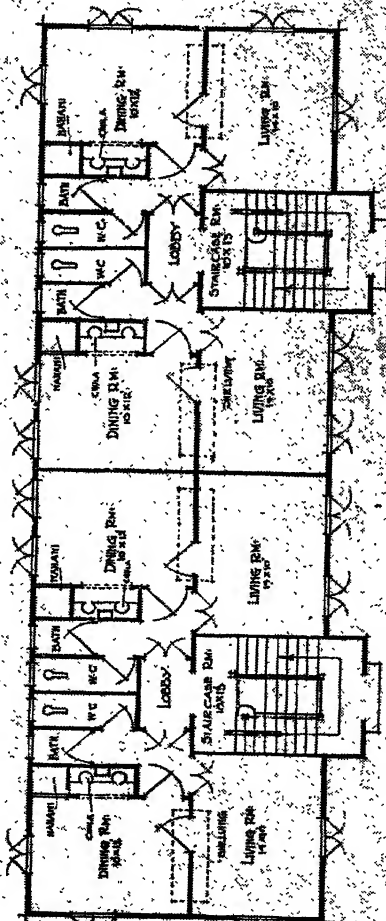
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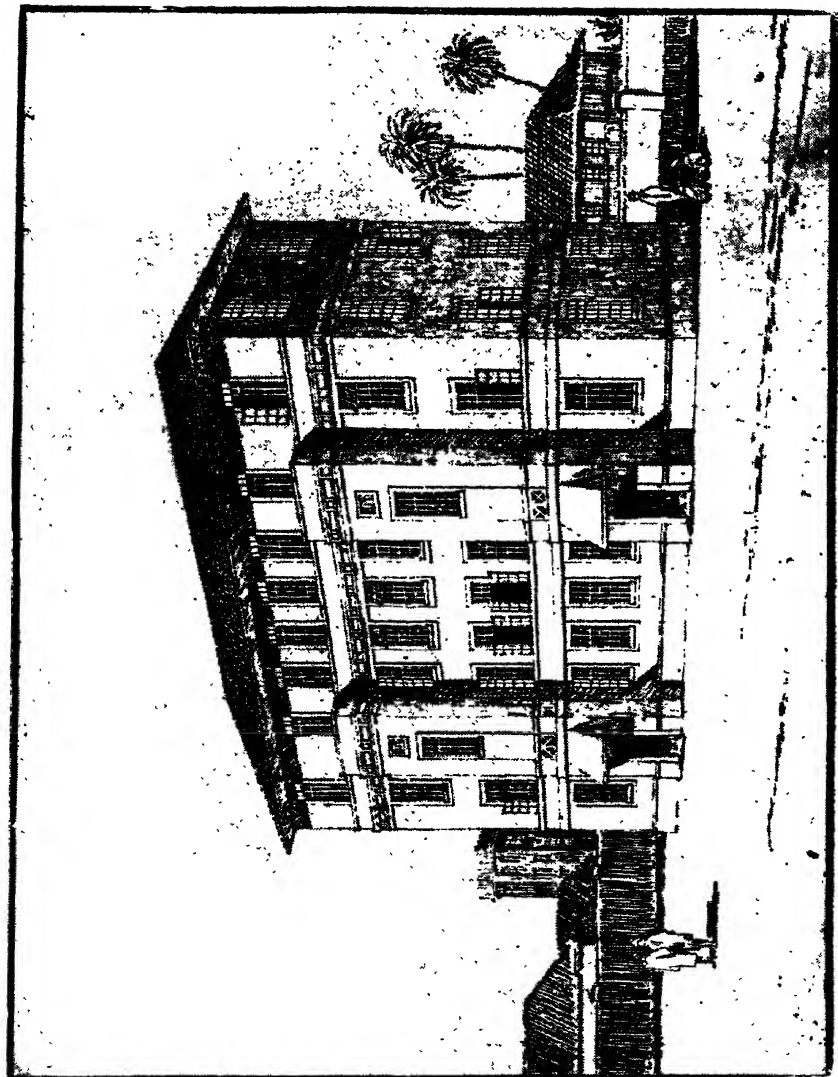
	No.	Area.	Cost.	Rental Value
Building sites for Lease	2105	28.90	..	28.90
Police Accommodation	..	0.57	..	..



THE CITY OF BOMBAY IMPROVEMENT TRUST  
 SCHEME NO 57 HOUSING SCHEME  
 TWO ROOM TENEMENTS

Scale 1/4" = 1' 0"





The City of Bombay Improvement Trust Scheme No. 37, Housing Scheme Two Room tenements.



	No.	Area.	Cost.	Rental Value.
Chawls (complete) .. ..	84	1.13	122	4.0
Roads complete and incomplete ..	46.9 miles	11.52	137	..*

As already observed above, and for reasons noted there, the action of either the Trust or the Municipality was not adequate to the vast dimensions of the Housing problem in Bombay. Hence originated a third line of frontal attack embodied in the direct action of the Government of Bombay. Sir George Lloyd the then Governor, speaking in the Legislative Council in August 1920, declared :

Critique of the Trust's Achievements.

"For years past the need has been realised, for years past some attempts have been made, but, as it seems to me, the problem has never been tackled on sufficiently bold and courageous lines, nor has it been adequately recognised that whilst small improvements were taking place, all the time the city was growing faster than the amelioration, or that actual standards of life were increasing almost as rapidly as the numerical increase of its inhabitants. It is a sufficient indication of the horror of the conditions that two-thirds of the people of this city live in insanitary and airless one room tenements, and that more than 50 per cent of the children born in this city die before they reach the age of eighteen months. For all that makes home life pleasant—light, air, space and cleanliness it is indeed a city of death,—for the children it is a city of death. Our proposals, then, are intended to make a radical improvement of these conditions to ensure that every possible advantage should be taken of such facilities as nature has bestowed on the place for increasing the area available for building sites within its borders and to arrange, as far as skill and science can provide, that its development shall proceed on the best possible lines."

On data collected by his Government, Sir George calculated that there was a shortage in Bombay of 50,000 tenements to house the industrial population aggregating a quarter of a million ; and he boldly set about meeting this shortage by the direct activities of a specially created Government Department called the Bombay Development Directorate. His Excellency next discussed the possibility of imposing an obligation on large employers of labour to provide housing for their workmen.

Housing Problem in 1920.

"Its (Improvement Trust's) object was partly to open up and improve lines of communication to the large vacant areas in the north of the city, and also, and chiefly so to provide housing for the poorer classes of the people. For various reasons, the merits of which I will not here discuss, the latter policy was not fully carried out, and subsequently in 1913 the act was amended so as to enable employers of labour to utilize the credit of the trust and obtain on easy terms advances for the construction of residences for their employees."

But the principal employers of labour in Bombay objected to the principle that the employers should be obliged to provide for the housing of their workers,

Employers' obligation to house their workmen.

\* Area figures are in lakhs of sq. yards and the cost figures are in lakhs of rupees



as the obligation would fall unevenly on different employers of different financial standing and create a great handicap on the mill-owners particularly. The Industrial Commission of 1916-18 pointed out that the obligation of the employers would be unjust if the employees were not similarly obliged to live in the quarters provided for them. For these reasons, the Government of Sir George Lloyd felt themselves driven as a last resource to take in hand the housing problem themselves; and their new Development Department was charged :

- (1) To reclaim land from the Back Bay and any other part of the seas surrounding Bombay that could be feasible ;
- (2) To carry out the programme of industrial housing including supply of building materials, and for that purpose to consider and dispose of questions affecting land acquisition in Bombay city ;
- (3) To develop the island of Salsette by schemes of Town-planning, and by outright purchase of lands for re-sale when developed ;
- (4) To provide adequate water in the Salsette areas, and electrical energy in Bombay city ;
- (5) To deal with the problem of communications and co-operate with the Port Trust regarding questions of Port Development.\*

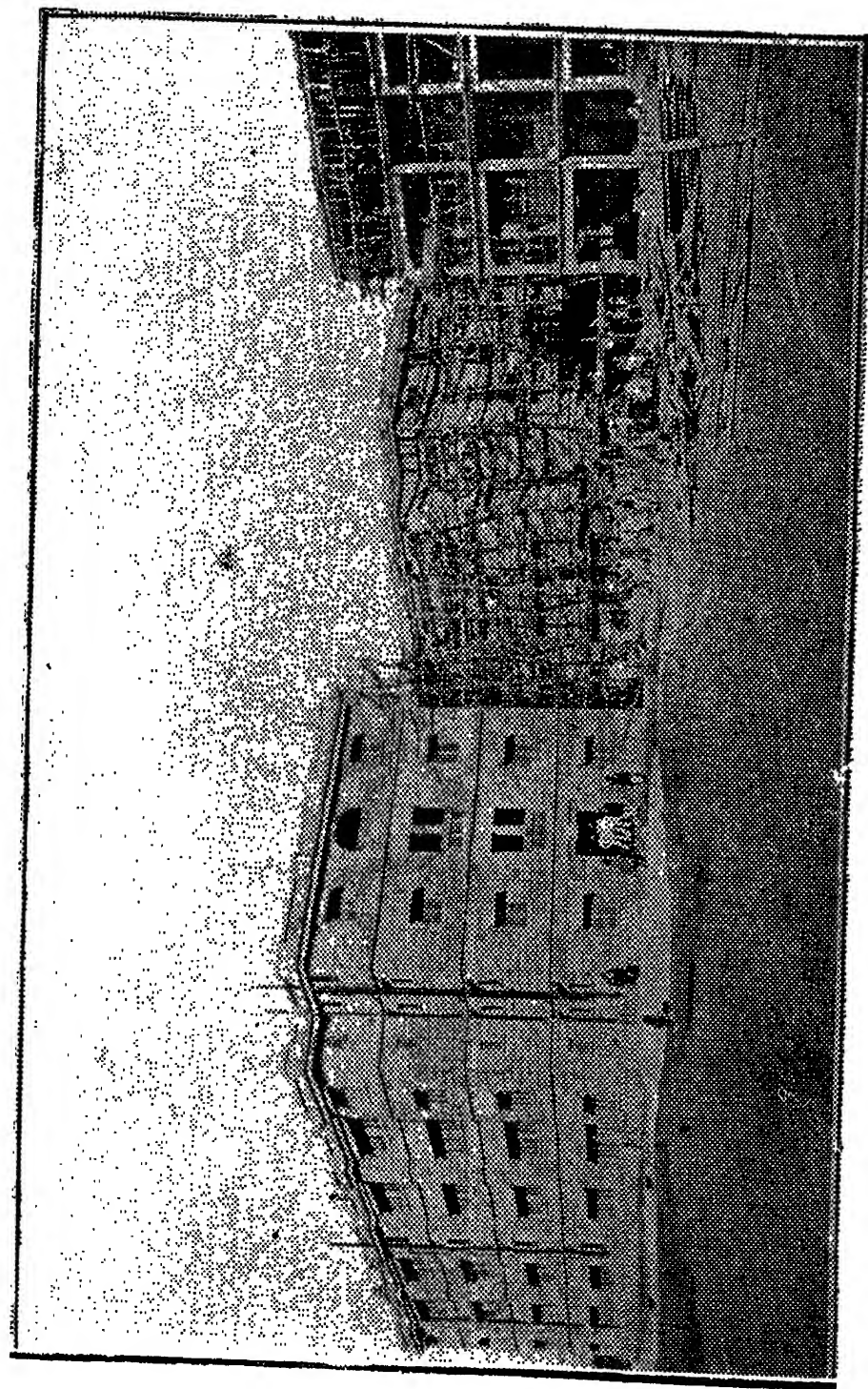
Critique of  
the Bombay  
Development  
scheme.

This Bombay Development project has, in spite of its promises, been strongly criticised by the Indian public. Its heavy cost, variously estimated from 30 crores—is only one of the items in the criticism directed against it. But that item has been magnified in the public mind owing to the disproportionately heavy outlay on projects of Reclamation from the sea, the Back Bay project alone costing Rs. 7.02 crores nett as estimated and sanctioned in 1922, the cost working out at Rs. 28 per sq. yard of reclaimed land in that part. This portion when ready, will naturally serve the needs, if any, of the official and the richer classes of the community, in whose case one can scarcely say that the evil of congestion and over-crowding exists to any appreciable extent. Of course, in the long run, supply and demand may adjust themselves and the housing problem may be solved in a manner of speaking,—by the addition of so much space. It is, besides, open to doubt if in the prevailing slump in the land market, the reclaimed land, when ready for sale to private purchasers, would fetch anything like the price estimated for the purpose. On the other hand, the programme of industrial housing for a quarter of a million people,—which was the real cause for the undertaking originally—has had already to be reconsidered,† though its estimated total

\* The cost as then estimated for providing housing for industrial classes was Rs. 5.30 crores and as the rent expected from these buildings would not suffice to meet Interest and Sinking Fund charges, a special tax was imposed in the form of a Town Duty of Re. 1/- per bale of cotton brought into Bombay city to meet the deficit.

† The industrial housing of 50,000 tenements scheme was conceived during the boom period when labour conditions in Bombay were probably abnormal. It is beginning to be doubted whether there exists at present any such shortage, and in order to avoid the risk of over-building, Government have decided not to take up any more land for housing until the chawls now under construction (16880 tenements) have been completed. Para 13 of the Annual Report of the Development Department 1923-24.





**Industrial Housing Scheme. General view of completed chawl.**

cost was Rs. 5.5 crores and though already the benefit of falling prices is being perceived in the reduction of the unit cost-per tenement.\*

The symmetry of the whole scheme of city improvement and development involved in this project is marred, from the stand-point of improved housing for Middle classes,—for the black-coated proletariat—owing to the decision to go slowly in the matter of suburban development on the garden suburb plan.†

As regards the working classes proper, the first tenement houses constructed by the Development Department were failures from the point of view of social or hygienic improvement. Both the tenants and the outside observers condemned these “mere boxes for the hurding of hands conceived as means of production.” The former missed their bathing-place separately constructed in each room, and objected to the volume of smoke accumulating in the rooms from the cooking devices. They also felt the rent of the rooms in these new “Bolshevic Barracks”—as originally demanded, to be far in excess of their ability, or what they were accustomed to pay in their old homes in privately owned tenements or even in the Improvement Chawls.‡ The general public and the special student of

\* The annual report for 1922-23, recording the change in practice in building these tenements from direct departmental agency to private contractors also mentions considerable reductions in the cost of construction.

† “In outer Bombay, there is probably now as much developed area as is required for the present, and it is obvious that so far as suburban schemes financed by Government are concerned, it would be imprudent to undertake further liability, unless and until there comes about a general move to the suburbs by a large section of Bombay inhabitants. The difficulty is that the typical middle class Bombay resident has become used to living in one, two or three rooms in a building let out in tenements, in a more or less crowded locality.... In adequacy of suburban railway facilities, shortage of water-supply and a general feeling of insecurity of person and property are also factors which in the past have made the idea of suburban life unpopular. With the average man, the difficulty is no doubt financial.” Annual Report 1923-24, para 25.

‡ The Economic rent for the Development Department chawls has been officially calculated as follows:—

#### APPENDIX A.

Scheme B. 2.—Housing (Naigaum.)

Plot A—19 Blocks of 80 tenements each.

Estimated economic rent per room.

CAPITAL COST		Rs.
(1) Land purchased from Improvement Trust, 32,523, square yards at Rs.13.		4,22,799
(2) Chawl construction—19 chawls (1,520 rooms at Rs. 1,350.)	.. ..	20,52,000
(3) Roads, drainage, water supply etc. . . . .	.. ..	1,94,000
(4) 7½ per cent. on (2) and (3) for establishments etc. . . . .	.. ..	1,68,450
TOTAL OUTLAY .. ..		28,37,249
Add Interest during construction at 7 per cent per annum on total outlay of Rs. 28,37,249 for 1 year (period of construction being taken at 2 years.)		1,98,507
TOTAL CAPITAL COST .. ..		30,35,856
INTEREST AND SINKING FUND—		
Interest at 6 per cent of the total capital cost of Rs. 30,35,856		1,82,151
Sinking Fund at 0.35 per cent on the cost of the buildings (Rs. 20,52,000)		7,182
TOTAL .. ..		1,89,333

housing matters have found fault with this new experiment for its dead uniformity of plan, and for its defective details like the shuttered and cemented windows. These details have, in part, been since improved; but the tenement houses built for the working classes by the Bombay development department are still as far as ever from the ideal of the independent home in a cottage of his own for each workman and his family.\*

### V.—The Factors of Civic Housing Reconsidered.

The foregoing outline of the problem and its attempted solutions brings out in bold relief the main ingredients of the general problem of housing reform in Indian cities. Their reconsideration at this stage is attempted partly with a view to get a comprehensive view of the problem and its solutions and partly to pave the way for such suggestions as may occur to us.

(Continued from previous page.)

<b>NET RENT—</b>									
Net monthly required to cover cost Rs. 1,89,333-12	..	..	..	..	..	..	..	..	15,778
Net monthly rent per tenement—15,7781,520	..	..	..	..	..	..	..	..	10.38
<b>OUTGOINGS—</b>									
Add Fixed charge of Rs. 2 per mensem for repairs and management (see note (a) 2.									12.38
Allowing 16 per cent of gross rent for variable charges (see note (b).									
<b>ECONOMIC RENT</b>									
The economic rent is	..	..	..	..	12.38	× 100	..	..	14.74
					84				Rs.
(a) Repairs and Management Repairs : Cost of chawls	..	..	..	..	..	..	..	..	22,46,000
Cost of repairs per annum at 1 per cent	..	..	..	..	..	..	..	..	22,460
Cost of repairs per mensem	..	..	..	..	..	..	..	..	1,871
Management.									
<b>ESTIMATED COST PER MENSEM OF :—</b>									
Establishment	..	..	..	..	..	..	..	..	Rs. 1,000
Sanitary stores	..	..	..	..	..	..	..	..	250
									1,250
Total repairs and management									3,121
Or say Rs. 2 per room per mensem on 1,520 rooms.									
(b) VARIABLE CHARGES. TAXES.									
General tax 8-10ths* of 11 per cent	..	..	..	..	..	..	..	..	per cent 8.8
Fire Tax	..	..	..	..	..	..	..	..	.5
Water tax	..	..	..	..	..	..	..	..	3.75
Halalkhor tax	..	..	..	..	..	..	..	..	3.00
									16.05
0-10ths of 16.05 per cent—14.445 per cent or say									
Vacancies, bad debts and insurance	..	..	..	..	..	..	..	..	14.45
									1.55
<b>TOTAL</b>									<b>16</b>

\* Section 144 (3), Municipal Act. Section 154, Municipal Act.

Against an average monthly income of Rs. 54 of an industrial worker in Bombay, a rent of Rs. 16 per month would have been simply fatal. They have therefore had to scale down the rent very sharply; but even so the project involves a heavy loss to the Government, which very likely would induce them to scrap a great portion of the programme.

\* The annual Report of the Development Department for 1923-24 observes :—

"The vital statistics maintained by the Land Manager, Development Directorate show a death rate during the year in the Directorate chawls of 6.66 per thousand, compared with the average of the Municipal wards in which the chawls are situated of 35.99 or for the whole city of 31.11 per thousand" para 16.

The existence of the problem, with all its consequences to the health and morals of the city population, is nowhere disputed. Nor can it be seriously questioned that, boiled down to its essence, the problem really resolves itself into one of predominantly economical or financial character. Even that aspect of the problem which relates to the agency by which the reform is to be accomplished—Governmental or Municipal, Co-operative or Individualistic—seems at bottom to be an economic issue. Additional housing has to be constructed for the sake of the general public health in the cities. But, in industrial centres especially, the houses, when constructed, will be for the use of just those classes whose ability to reimburse the constructing authority is most rigidly restricted. No authority taking in hand housing reform in Indian cities can completely ignore the problem of the deficit on the cost incurred for construction and the price obtainable by way of rent. For even the Government or the Municipality has a limit to its taxing capacity. Besides, every tax which falls on people or communities other than those likely to be benefitted from such ventures,—even in part—must be held to be unjust to the extent that in its incidence it affects a people not in any way benefitted by such ventures. For this reason,—were there no other,—we should consider the Municipality to be by far the most preferable agency for carrying through housing reforms on a scale commensurate with the dimensions of the problem. On this view of the proper agency, we think it to be as uneconomical as it is impolitic that a specially created City Improvement Trust or a Government Department should be given a hand in the matter. By so doing, not only would we needlessly split up the entire work between the several authorities, involving a waste of time, money and energy, but an adequate degree of co-ordination would be lost sight of. The Municipality has, indeed, powers of taxation which can enable it to make up for the unavoidable deficit in housing reforms, where vested interests are too strong to be made to forego their claim for compensation, or to abandon their right to land speculation. But as already observed, the city taxpayer's money would have been unjustly laid out, if strict concordance is not obtained between the burden and the benefit. In our opinion, the real, final, permanent solution of the Housing problem will not be arrived at, unless and until the Municipality enforces the obligation on the employers—whether private individuals, Government departments or semi-public authorities—to provide housing for their workmen. It is a form of health insurance whose benefits have yet to be understood. The employers' objection that their obligation would be unbalanced, if the workers were not in their turn compelled to live in accommodation provided for them by their employers, can be easily met by requiring the workers to conform to this arrangement, always provided that the housing provided by the employers conforms to the standard of sanitary habitation laid down by the Municipality, and that the employer does not utilise this facility as a sort of a leverage against his workmen. The worker's liberty of movement will in no way be restricted if we view the matter collectively for all

working class people of incomes, say below Rs. 100 per month. As the obligation to provide housing would lie equally upon all employers, a workman moving from one employment to another, from one employer to another, would not necessarily lose his claim to house accommodation and the employer, too, would not be unduly burdened, as he will be required to provide accommodation for his average strength of operatives. The moving surplus or fringe of industrial labour may cause a difficulty no doubt; but that surplus is relatively very small,—not more than 10 p. c. of the total industrial population,—and can be easily dealt with if we bear in mind the principles of Insurance, and treat the housing problem as only an aspect of insurance.

The case of  
the middle  
class.

If employers of all kinds are compelled to shoulder this their natural responsibility, the problem of industrial housing will have advanced a long way towards solution. It will have settled at least the question of agency. The problem of the middle-classes no doubt still remains unsolved. In their case, the Municipality would have to take up house-building directly—or through co-operative societies aided by the Municipalities if need be. The redistribution of population, with a view to avoid over-crowding and insanitation, can only be obtained by an energetic prosecution of suburban development; and to attract population of the middle class to the suburbs, not only would the Municipal authority have to educate people into perceiving the advantages of suburban life, but would have, for its own share, to provide adequate and efficient transport facilities, and proper amenities of life in the suburbs. Co-operative societies would really help to solve the problem from all sides simultaneously far better than perhaps the Municipality itself.

Financing  
Housing Proj-  
ect.

As regards the finance of housing-reform, the obligation being imposed on the employers would to a great extent solve the problem, except in so far as the employer might need funds to start with building. The obligation of the Municipality would thus be restricted to the provision of funds on relatively easy terms; and there is no reason to doubt either that the Municipal authority like that of Bombay cannot obtain such funds in the open money-market, or that it may not be able to raise the money, in part at least—from the improvements it effects. And in this connection we might mention an aspect of the case which is usually overlooked. In cities like Bombay, where all building land would be very costly in the neighbourhood of great industrial works, the housing problem of all classes of people would really be a problem of suburban development,—unless the heroic and extravagant measure is adopted of disestablishing all mills and factories in the city and re-establishing them in the suburbs near their workers. Housing will, therefore, have to be in the hands largely—if not wholly—of the Municipality, working by itself or through co-operative building societies. Instead of borrowing from the Municipality for constructing tenements for their workers, the employers might subsidise the building authority under the municipality by easy

loans, or by guaranteeing to bear a proportionate burden of interest and Sinking Fund charges. Bombay has enormous lands still available within easy distances on the mainland across the harbour, on the east, and in Salsette on the north of the City and Island.

Provided rapid, cheap, and efficient means of transport between the residential and industrial areas are created by municipal enterprise—by means of submarine tunnels and railways across the harbour, and circular underground railway like the Metro of Paris, as well as surface overhead tramway extensions and motor-bus services,—there is no reason why in course of time large sections of the population should not betake themselves to the freer air, fuller light and healthier homes in the suburbs. And these means of communications can be made a source of income to the Municipality to support its own burden of indebtedness, or at least might serve to pay for their own maintenance, operation and capital cost. Housing reform, moreover, on such a large scale as would be needed in Bombay or Calcutta, must necessarily take years to accomplish. Land values must arise in the interval by the mere pressure of population in growing cities; and if only the Municipal authority manages to reserve to itself all such increments in value,—the financial problem in housing reform ought not to be difficult at all. There may have to be, some additional taxation, preferably on property within the city so as to prevent all complications resulting from a shifting burden of taxation. But even this burden would be temporary, if the problem is handled judiciously, and under a well-conceived plan from the outset. A tax at a higher rate on building land kept vacant without reasonable excuse; a steady policy of taking up all increments in site values or rental values; a sustained effort at municipal enterprise and co-operative subsidies—and the problem will have been solved much better than by any hand-to-mouth measures like rent restriction by legislation. The latter must necessarily be temporary: and must cause universal discontent,—among tenants by the fear of a possible abolition of the restriction, and among landlords by the denial of what they regard to be their right to profiteer. And this quite apart from the inevitable weakness of all such legislation, that it will necessarily lack a definite standard. Price-restriction or regulation as a policy must fail, so long as there is no controlled supply of the commodity regulated as an alternative.

## VI.—City-Planning.

Arising from and as an offshoot of the main problem of civic housing, there is also the question of city-planning proper. In a manner of speaking, it is a much larger problem than that of housing; and in all cities newly founded by a deliberate act—as contrasted with haphazard growth—attention will have to be paid to a number of details relating to civic beauty and civic convenience, which are usually not so specifically or meticulously considered in the development of old cities. We may mention Constantinople in Europe, or Fatehpur Sikri in India,

Planning a  
Help in Hous-  
ing Reform.



or Washington in America, as examples of deliberate planning from the outset. But whether it is a case of fresh planning *ab initio* or of retrimming an old city like Paris, Vienna, or Frankfort-on-the-Main, civic planning must be taken as a regular art in itself, in which the planner will carefully lay out the different quarters of the town, with due regard to their particular requirements. He must make provision for transport facilities in the shape of handy railway termini or harbour-front for the quarter of the town devoted to wholesale merchandise; or for residential quarter with its complement of schools, play-grounds, theatres, cafes, open air places, parks, churches and temples, and libraries. He must also give careful consideration to the grouping of streets, their width and corners and crossings: their ornamentation by side-walk gardens, way-side trees, central fountains, statues or vistas; their protection of furniture in the shape of pillar-boxes, lighting-poles, traffic-signal, fire-alarms, rail-roads, tracks, bridges, subways, shelters, &c. He must also so arrange all these as to minimise the distance from point to point having to be travelled by ordinary traffic, and prevent the possibility of accidents due to corners and quick-moving traffic conflicting with slow-moving vehicles or pedestrians. The relation of the height of the building to the width of the street has similarly to be determined in advance, not only as a measure of precaution against the danger from fire, but also as an item in architectural beauty and effect obtainable with a little attention to such details. The possession of magnificent vistas,—like that in Paris from the Place de la Concorde or the Arc de Triomphe, than which perhaps no more perfectly designed and beautiful vistas can be found in the whole world, is also not a matter of mere accident but a product of great genius in town-planning. The regulation of traffic on the main arteries of civic communication, moreover, is not a question simply of preventing accidents: it is as much a matter of ministering to the convenience of the public, and thereby adding to the joy of civic life.\* The underground amenities of sewers and drains and water-pipes and electric wires of all sorts,—not to mention subways for pedestrians and cloak-rooms with all toilet facilities, as well as pneumatic tubes for mail deliveries as in Paris—are not ordinarily noticed by the citizen: but they are none the less a factor in the proper planning of cities. Finally the improvement in water-fronts in all cities on the banks of a river or the shores of an ocean is a factor not merely to promote the commercial facilities of the place, but also to add to the adornment of the city, and the amusement and recreation of its inhabitants.

#### VII.—Town Planning in Indian Cities.

No Definite  
City Planning  
in India.

Conscious planning and lay-out of all areas in a city, with due regard to their mutual relationship and convenience, and with an eye to the convenience of the citizens as well as the beauty of the city, is still in its infancy in this country.

\* See the sketch of Traffic movement at the Arc de triomphe in the plan appended. Movement of traffic in a circle at points of crossing or junction of several streets helps very materially to reduce accidents.

There are, no doubt, Town-Planning acts in several provinces ; and there are also the colossal efforts of the city Improvement Trusts of Bombay and Calcutta as well as the Bombay Development Department in this direction. But, with the possible exception of the suburban town-planning activities of the last-named authority, it may fairly be doubted if any authority in India has yet realised quite fully the real purpose of town-planning and its relation to old cities already grown without any idea of proper planning. The historic scheme of L'Enfant, for example, in planning the capital of the United States more than a century ago,\* or of Dr. Adickes in laying out afresh Frankfort-on-the-Main, has no parallel in India. Even the Imperial Capital of Delhi is planned for the new section, with the old and historic sections left almost untouched from the point of view of planning. The Municipal Acts, relating to the principal cities, no doubt give powers to the Municipal authorities to determine street alignments and buildings line (S. 302 Calcutta Municipal Act) as also to make and improve streets and squares and open places, with definite limitations imposed by law as regards the width of new streets. In Bombay "No new public street shall be less than 40 feet in width if such street be made for carriage traffic, or twenty feet if such street be made for foot traffic only." (S. 294 Bombay Municipal Act): while the Act also prescribes the maximum height of a building, and the height in relation to the width of the street. (Ss 394 A, 349 B) In Calcutta.

"The Corporation may at any time give public notice of their intention to declare that, in any street, portion of a street or locality specified in the notice, the elevation and construction of the frontage of all new buildings (other than huts) thereafter shall, in respect of their architectural features be such as the corporation may consider suitable to the locality." (S. 324 (1.) )

But in a study of all the street and building provisions in Indian municipalities, one misses some central principle, some dictating consideration which is of the essence of general town-planning. If in one case, the consideration of convenience is predominant, in another it is perhaps a demand of authorities, while in a third it might be requirement of sanitation. All these are capable of co-ordination and harmonising. But no effort has been made to blend them into one beautiful and harmonious expression of city-planning proper.

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\* In essentials, the Washington of to-day is exactly as the draftsman first planned it. It is the only large city in either America or Europe that has had all its streets planned a century in advance. As for the plan itself, it embodied, in the main, the orthodox notion of its day. The ground work is a rectangle, with one series of streets running north and south—the so-termed gridiron plan,—but with main avenues leading in various directions over the most favourable ground in such manner as to provide direct connection between the points selected and the sites of the great public buildings. Rectangular streets were then laid out so as to intersect with the avenues at the predetermined points. The Engineer was lavish of land taking generous width for all his main streets, avenues and squares. Even to-day, a relatively larger area is devoted to public purposes in Washington than in any other of the world's large cities.

Munro: *Principles and Methods of Municipal Administration*, p. 34.

Financial  
Difficulty.

The greatest difficulty of all city-planning, of course, is finance ; and Indian cities are by no means so rich as to regard that difficulty as of second-rate importance. Even in cities where the Government takes up the financing of the development,—Delhi or Mysore for example, the latter having spent from the Maharaja's own purse nearly a crore in the last few years on projects of town development and civic adornment—finance is always the ruling consideration. For it is not merely the outlay on new construction and improvement that has to be considered ; town-planners must also take into account the demands under the head of compensation to private property-owners in all areas in which the rights of private ownership conflict with the projects of improvement. It is true, indeed, that the best town-planning would be that which utilises to the fullest the existing features—geographical, topographical, sociological—of the area under consideration. But the most carefully considered and economically planned projects of civic development must mean large financial outlay ; and so, in the last instance, the purse of the city must be held to be the final dictating authority in all questions of proper planning of the city.

## CHAPTER V.

### MORAL HEALTH IN THE CITY, AND MISCELLANEOUS FUNCTIONS RELATING TO PUBLIC HEALTH.

#### I.—Municipal activities in Moral Welfare.

The Moral scourges of modern city life take their origin very often in economic causes. Municipalities in the most advanced countries have recognised that if they would really discharge their obligation in this regard, they must attack the root causes first. By a series of causation, too clear to be mistaken, they have perceived that poverty breeds congestion, and congestion leads to insanitation, unhealthiness, both moral and physical. It may be impossible for the Municipal authority to attack directly and by itself the hydra-headed evil of prostitution, which is such a prominent evil of city life to-day, and which has its ramifications reaching far and wide; for the task of so educating the municipal sovereign as to induce it to sanction the radical measure which alone can effectively restrict and minimise,—if not abolish—the evil is, for the present at least, beyond the powers of most municipalities. They therefore are content to lead a flank attack by taking up housing reform, by pressing forward with Insurance schemes,\* by ensuring adequate hospital accommodation and efficient medical advice. Welfare work, again, such as providing foundling hospitals and creches,† and establishing a home for lost women, not to mention police powers for the suppression of the so-called White Slave Traffic, is a species of indirect attack, or rather these are mere palliatives, which help to soothe the sufferer or save the innocent from this great moral disease. Police powers being vested in Municipalities in Western countries, they are able to adopt such measures on a much larger scale than we in India can think of; since here, the police authority is still entirely a department of the State. Municipalities in India are, therefore, powerless, in a manner of speaking, to adopt any stringent measures for the campaign against the moral evil flourishing in cities from time immemorial.‡ The bulk of the work

Nature and  
origin of moral  
Un-healthiness  
Remedies.

\* We have outlined the general principles of such Social Insurance in an earlier chapter of this Book, and have shown the application of these principles to the practical case of an Indian Municipality in a later section of this chapter.

† "The system of Municipal guardianship, under which illegitimate children become at birth the legal wards of officers appointed by the local authorities, is one of the most effectual of the measures by which the terrible mortality amongst those children is combated" Dawson *Municipal Life & Government in Germany*, p. 49.

‡ It may be noted in passing that a few years ago the Government of Bombay had appointed a committee to investigate into the question of prostitution in the city, which submitted a somewhat mild report. But even so, no action seems to have been taken on that report. Prostitution is, historically speaking, an ancient institution; and in India, at least, the State had recognised it so far as to tax its practitioners—whether to penalise the institution or to help the public treasury, it is impossible to say. In Vijayanagar, in the fourteenth and fifteenth centuries, the State derived such a handsome revenue from the taxation of prostitutes in the capital as to pay for the whole police force of the city out of the proceeds. We must recognise, however, that taxation of such moral sores is not an expedient we would recommend; as there is a danger in this method of making the state interested in the maintenance of the evil.

in this direction is done by non-Municipal agencies, like Religious bodies or Social Reform Associations. The achievements, however, of such organisations as the Salvation Army, in their Rescue Work, or of the Catholic Archbishop in the city of Bombay in his recent attempt at a House for fallen women, must unavoidably lack the effectiveness of collective and co-ordinating Municipal effort; and resting ultimately on spasmodic private charity, these organisations must be weak also in the sinews of war which a Municipality could provide. Even the less spectacular work of providing proper creches and establishing adequate Foundling Hospitals seems to be neglected by Indian Municipalities,\* either because they lack sufficient moral enthusiasm, boldness in conceiving and firmness in executing projects of such far-reaching moral reforms, or because they are denied the requisite powers owing to a misapprehension of the role of Municipalities in the task of social and moral regeneration of the civic community.†

Police de mœurs in Municipality.

For our part, then, we would recommend that the Municipal authority in India should be furnished with those police powers which are indispensable for the work of securing the moral healthiness of the city; and that armed with such powers they must commence a direct and vigorous campaign against these cess-pools that undermine the moral health of the city. It would, in fact, contribute both to economy and efficiency if all powers of what is happily described as the *Police de mœurs* are, as they should be, vested in the city council,—the Government retaining, if need be, powers of supervision, inspection, and indirect control as might be deemed to be necessary for the general safety.

A Calcutta Precedent.

We might note in this connection, as a welcome sign of the times, that the Calcutta Municipal Corporation has, under the domination of the Swaraj Party, resolved to prohibit the use of intoxicating drugs and drink in its jurisdiction. If a Municipality in India could embark on such a radical departure from the policy of *Laissez-faire*, there is reason to hope that in the yet unexplored fields of moral reform and regeneration, Municipal activities of a more courageous kind will be as beneficent in results as this one is hoped to be.

## II.—Other Welfare Work by Municipalities.

Care of Orphans, Foundlings and Fatherless children.

If we correlate positive morality with social necessity and welfare, we would find a great many directions in which the Municipality is able to promote the public welfare of the civic community. We have already referred to the case of the Foundling Hospital, and of the Municipal Guardianship of illegitimate children.

“It is worth while” says Dawson (op. cit. p.251-2) “calling attention to this aspect of the public guardians’ work, in view of the indifferent success of English Boards of Guardians in the same direction. In Ger-

\* There is a creche in Bombay, but it is a private institution.

† See a review article on the Report of the Bombay Prostitution Committee in the *Social Service Quarterly* of October 1922 by Professor K. T. Shah.

many it is found that the Municipal authority can often enforce claims on behalf of illegitimate children where the mothers acting alone would have no chance. The very knowledge that the community, in the person of the Municipal Guardian, is behind the mother and child, is, as a rule, sufficient to bring the most callous deserter to heel. It is interesting to read that so energetically do the Municipal Guardians protect the interests of unmarried mothers—and incidentally the rates—that an “Association of Fathers of Illegitimate children” has been formed for mutual counsel and defence.”

The Foundling Hospitals of Paris particularly are model institutions, where the care of the innocent unfortunates does not stop simply at looking after them in the ailments of their helpless infancy, but goes a great way towards educating, bringing them up, and settling them in life.

All these activities, however, spring originally from the comprehensive obligation of Poor Relief imposed upon Municipalities by the State in Europe and America. Dr. Dawson has, indeed, pointed out:

“The Social spirit which nowadays informs the governing authorities of all large towns.....from the mayor down to the committees of the representative assembly, is to a large extent a by-product of the insurance legislation dating from the early eighties of the last century. The effect of that legislation was to set in motion new social forces and new philanthropic ardour in many directions; and under their influence the current conventional conception of public health administration has widened, and the consciousness of social obligation has everywhere been stimulated and deepened.”\*

But though the insurance legislation in European countries really affects the artisan or working classes as distinguished from the pauper class, the number of functions commonly included in the generic term of welfare work is so great, and their real benefit so restricted to really the pauper class proper, that the analysis we have given above of the origin of this particular group of municipal functions seems to us to be as accurate as any other. The care of the poor and the relief of the necessitous was in Christian countries the particular department of the Church, and ultimately transferred by the State to the Municipalities and local bodies. These latter cannot delegate their functions though they too have relied on private charity to an extent greater than perhaps would be easily justified.

In India, however, as remarked in a previous chapter, neither the State nor its delegate the Municipality has yet accepted the public obligation of poor relief. The intertwining of professional poverty with religious mendicancy may have something to do with this attitude of aloofness of the State, which refuses to interfere with all religious customs. Or perhaps this aloofness is the outcome of a social snobbishness inseparable from our modern commercial and individualist organisations. Certainly the committees appointed by Government to investigate

Absence of such social obligations on Indian Municipalities.

\* *op. cit.* p. 241.

into the pauper problem of the great cities\* of India give one the impression in their reports that poverty is regarded as worse than crime in the official circles of modern India; Vagrancy laws, one would have thought, ought to have found no room in a well ordered and highly industrialised community like that of Bombay or Calcutta. The sentiment of civic sympathy would have helped to consider pauperism rather as a misfortune than as an offence, a misfortune moreover which is not beyond remedy if only the collective authority of the city could realise its responsibility in this regard, and apply the remedies it can find without demur or hesitation. The Labour Exchanges of European countries in municipal hands help a great deal to prevent unemployment, and so avoid the demoralisation of that considerable section of civic communities whom a hair's breath divides from good citizenship and bad. In 1911 Germany possessed 475 of such Labour Exchanges or registries in Municipal hands all over the country, aided indirectly by the state in a way, but which were on the whole clearly municipal institutions.

#### Labour Exchanges.

"There is a tendency to combine the general work of the labour registry with activities of a cognate character; thus some registries endeavour to find employment for children leaving school, for domestic servants, for consumptives and other persons of limited physical capacity, or the registry keeps a list of foster-parents for use in the boarding out of orphans and other children maintained by the poor relief authority, and the municipal house registry, the legal advice agencies, and writing rooms for unemployed clerks and others are sometimes worked along with the public labour registry.

I visited the Exchange in Berlin, the largest in the empire. It secures positions for approximately 120,000 persons each year. It has been in existence for twenty-five years. It occupies a large four-storey building in the heart of Berlin. There is a separate entrance for women on one street and for men on the other. In the centre of the building is a great hall capable of seating 1,400 persons, while smaller halls accommodate the skilled artisans and women in another part of the building. There were probably 600 men waiting to be called when I was there. They did not suggest vagrants or tramps. They were clean, self-respecting, and robust. The men sat in groups according to their employment. When a request was received over the telephone or by mail, the men were called to the desk in the order of their registry, and the position explained to them. Priority is given to the married men in the assignments.

On one side of the great hall is a buffet where beer and food are sold at a trifling sum. There are tailors and cobblers connected with the registry, who repair clothes and shoes at an insignificant charge. Checkers, dominos, and

\* On a committee of this nature for Bombay city in 1920 had sat Mr. M. K. Gandhi the arch apostle of Indian Nationalism. He had already launched out his doctrine of non-co-operation which probably prevented him from taking a more active part in the shaping of the final report of this committee, and so made it impossible for the new Indian consciousness to be impressed upon that document.

chess are played by the men while they wait in the hall. The exchange suggests a huge workingman's club rather than an employment agency such as those of New York or Chicago. There are shower-baths in the building which are generally used, while a free dispensary and medical inspection bureau are also offered.\*

Besides providing these Labour Registries or Exchanges, Municipalities in Germany also offer work to the unemployed, so as to minimise the demoralisation resulting from unemployment. The out-of-work artisan is not looked upon as a vagrant and a suspicious character, who is below any polite attention. On the contrary, that his unemployment—which is considered to be a passing and unmerited misfortune—may not press heavily upon such a person, municipalities study by every means in their power to alleviate his lot. Many cities in Germany maintain, for the special benefit of this class, a regular register of houses and tenements to lodge suitably such out-of-work people in search of employment. Though these *herbergen* may be privately owned, municipal authority investigates the comfort and cleanliness offered by such tenements; and from the descriptive cards maintained by the municipality, the workmen can select with little loss of time a lodgment suitable to his purse and his needs. So far has this plan found favour in many cities, that newspaper advertising of tenements to let has been quite discontinued. In 462 municipality-owned houses of this kind in 1904 they had 20,000 beds, and lodged over 2 million persons in the year, of whom the majority were paying guests.

And for the same purpose of lightening the pressure of unemployment, municipalities all over the European continent have municipal pawn-shops, <sup>Municipal Banks and Pawn Shop.</sup> where the artisan can in his misfortune realise any of his possessions except furniture and "articles which belong to the primary comforts of the home" at reasonable rates for a fair interest charge.† The municipal savings banks are, of course, a natural counterpart of the above.

With such provisions, European countries might well insist that begging and vagrancy shall not be permitted. But in Indian cities while they seem to consider begging a punishable offence, the municipal conscience has not yet risen to the height of insuring reasonably against such misfortunes, which compel a recourse to mendicancy. It is, in Europe, not merely the adult out-of-work artisan that is thus provided for by municipal agency based on or aided by private philanthropy. His children, too, receive a share of the attention which even the well-to-do tax-payers' children are as a rule denied in this country. The municipal feeding of needy school children is almost universal in the larger German towns. Berlin alone spending £ 11,000 per annum for this purpose. This is not a statutory but a purely voluntary function of the Municipality, the meals being <sup>Antidotes to pauperism.</sup>

\* cp. Howe *European Cities at Work*, p. 135-6.

† op. *European Cities at work*. Howe, p. 135-6.



given free from kitchens attached to certain schools—or charged very lightly to children whose parents can afford to pay. The health of the school-children always claims the special attention of the municipality, there being 1786 municipal authorities, in 1913, in Germany which had got their own special school doctor. These doctors inspect and advise, and even treat children free of charge. A special feature in this connection worth mentioning is the dentist for the students, there being over 200 dental clinics for this purpose in 50 German towns. The provision of special children's care centres, devoted to looking after the juveniles in out-of-school hours, while their parents are at work in the factory, is another such feature, though here perhaps private assistance plays a far greater part than municipal effort.

Exclusion of  
Poor Relief in  
Indian Municipalities.

As already observed,—and the observation can bear repetition—Indian cities are hopelessly deficient in all these respects; and the deficiency is due, in our judgment, to the exclusion from municipal functions of Poor Relief. Organised relief of the necessitous is indispensable in large industrial centres, for private charity is of necessity indiscriminating as it is bound to be inadequate. There may be something to say in favour of leaving the relief of the poor to the spontaneous impulse to charity in an individual breast. But it is very much to be feared that in this age the answer of Mr. Scrooge to all those who came at Christmas time seeking his contribution for the needy and the unfortunate,—“Are there no prisons? Are there no workhouses?”—may be repeated by more persons than we would like to believe. In any case, were there no other reason but the mere consideration of co-ordination of effort and economy in total outlay, we would still advocate the organisation on a municipal scale of Poor Relief in all its forms in this country; and to that end, a steady policy of municipalisation by gradual stages, of all private charities which lack co-ordination and are deficient in proper direction.

### III.—Possibilities for a compulsory system of Social Insurance in Indian Municipalities.

In a previous chapter of this Book we have spoken of the need to provide for a general system of social Insurance, and described in outline the working of such a system wherever it is in existence in the Western world. In the Indian municipalities, this need is even greater than in the European cities for a variety of reasons. In the first place, while the leading Indian cities are rapidly evolving a growing industrialism of the European pattern, they have not yet developed labour organisations—such as Trade Unions or Friendly Societies—nor is the voluntary effort on a scale sufficient to cope with the requirements of an intensely industrialised community like Bombay or Calcutta. Besides, there is hardly any insurance in their case against the commonest contingencies of life—sickness, accident, premature disablement or permanent superannuation. The Industrial workers in these cities, it is true, are said to be too-shifting a

quantity to be made the objects and beneficiaries of a compulsory, and comprehensive Insurance scheme. But this is a local,—and, we think, temporary,—difficulty, which could easily be overcome by better organisation of our Industrial Labour Force. **Secondly**, without the proper realisation that the benefits usual under such an Insurance scheme are a matter of right and no humiliating concession from private charity, the ordinary self-respecting citizen would never consent to participate in these benefits. But his refusal to have his illness attended to, or his accidents properly looked after, or his old age provided for, is a menace or loss or burden to the entire community, which must therefore, in sheer self-defence compel him to avail himself of these benefits; and also to contribute each his or her own quota to the fund from which these benefits come. And that constitutes the **third** reason, why a proper Insurance in the Indian industrial centres will have to be based on **municipal** and not on the **National** scale. For the Nation in India still consists to the extent really of 90% of agriculturists or those indirectly connected with or dependent on Agriculture. Now the Insurance of an agricultural community must necessarily and radically be different from the Insurance of an Industrial Community; or the contingencies to be provided against, the benefits to be secured, the measures to be adopted and the contributions to be demanded are essentially different in character, extent, nature and incidence in either of these cases.

It must, therefore, be the task of the Municipality in India to insure its citizens against the common ills of their ordinary lives. If necessary,—as we think it would be,—special additional powers may have to be given them by law to enable them to undertake a wholesale insurance of the municipal community against illness, accidents, invalidity, or old age. The employers are even now being compelled,—though in a spasmodic, haphazard, uncoordinated and unscientific fashion—to provide for their workmen's compensation in case of accidents; and we think it would be a very slight and welcome extension of the principle, if the Municipality is by law authorised and required to systematise and co-ordinate these provisions, and to consolidate them by means of the link of regular contributions from the workers, their employers, and the Municipality itself in the long run. Thus, for example, in a city like Bombay, if insurance is made compulsory by law on all citizens with an income, let us say, of Rs. 100 per month or less, and a contribution is demanded from each such worker of 1% to 2½% **progressively** rising according to salary; and if to that is added a similar contribution from the employers, but fixed in their case on a **Regressive** scale of 1% to 2½%, rising as the salary of the insured falls; and if to the Fund made up out of these contributions, the Municipality binds itself to add its quota of 1½% per each person insured; there would be such a considerable fund that all the ordinary ills of working life can be quite liberally provided for from such an institution; and all the sufferers regularly take the benefit under the scheme without any sense of shame, hesitation or humiliation. By this means, we are

sure, the rate of mortality within the city so insured will fall at once and substantially, both amongst the adults and the infants. Taking the insurable population of Bombay, on the basis given above, at 3,00,000; and taking an average annual contribution from each of these persons @ 1½% of their income of Rs.50 per month i.e. 12 annas per head per month, or Rs. 2,25,000 per month on account of worker's contribution; and Rs. 2,25,000 per month on account of master's contribution, and Rs. 1,50,000 per month on account of municipal contribution, we get a total of Rs.6 lakhs per month. The Municipality may use a part of this fund to maintain much greater hospital accommodation and provision for medical advice than is the case to-day. If it provides accommodation for 10,000 patients—beds—at any time, it will probably want all the money it now spends in Bombay on hospitals and dispensaries, as well as the sum it will be required to contribute on its own account to the Insurance Fund—a total outlay per annum of close on 40 lakhs at least, we should think. The workers' and employers' contributions may be used: first to subsidise 1000 medical practitioners at Rs. 100 per month to give advice and treatment freely to the insured. This would mean Rs.1,00,000. Add to this Rs. 50,000 for medicines and other requirements for treatment per month; and there will be a balance of Rs. 3,00,000, exclusive of the Municipal contribution, which may be used in cash benefits during the period of illness to the suffering workers graduated according to illness, wages, and contributions, but averaging Rs. 30 a month on all counts for 10,000 insured sufferers in the city. With very little modification the scheme may be extended to the dependents of the insured worker.

It will be noticed that in the above rough calculation we have made no allowance for the interest on the balances in the Insurance Fund, which in a soundly administered system there ought to result. The Interest receipts on this account will, however, suffice to pay for the administration charges of the entire scheme, which could thus be made quite self-supporting, with a comparatively very small outlay on the part of the Municipality, and yet involving a great, immeasurable, boon to the citizens.

We may add that the figures given above are only illustrative. They have no pretence to be either accurate or even approximate; but we think they would serve the turn for a clear explanation of our scheme.

The Insurance activity of an enterprising municipality need not, however, end here. There is a vast field for Insurance work in a great centre of commerce and industry in Fire, Marine and Life Insurance, which can easily be made the source of a substantial income to the city. The most conservative estimate places the total of Insurance premia of various kinds obtained from Bombay city at Rs. 3,00,00,000 per annum on account of life, fire, marine, accidents etc. Why should not the city,—whose Building Regulations, Fire Brigade, Police precautions, and Health measures very materially reduce the risks of the

private profit-seeking corporations, who now levy this tax from the city, its industry and commerce,—get the whole of this income? Of course, there will be risks to provide for against this income; but as we do not believe that the operations of the dozen or more private insurance corporations are conducted on absolutely altruistic grounds, we have no doubt at all that the scheme if adopted would, instead of being a burden to the Municipal purse, result in a very substantial net surplus to the city, the magnitude of which on our most conservative calculations seems to be so great that we are afraid even to mention it!\* -

One particular argument for the speedy municipalisation of the city's Insurance business lies in the character of the Insurance corporations now doing that work. The most respected of them are non-Indian. The nature of Insurance business is such that they need no large premises to carry on their work. Hence they escape from bearing their fair burden of Municipal taxation. We, in India, are still far from possessing municipal powers, enough to tax such non-Indian corporations with discriminating taxes—discriminating against them; and, of course, such a suggestion, if we ventured to make it, would be enough to label us as rank nationalists whose ideas cannot be listened to by professed and professional moderates, however beneficent they may be. Hence the suggestion for a policy of the Municipalisation of the Insurance business altogether.

Lastly, a word of explanation. The contribution suggested above to be levied from the workers for general Insurance may appear to be an additional tax-burden on the poor wage-earner. It will not be a real burden, since there is the compensatory benefit in free treatment and cash subsidy. And, besides, read in conjunction with the tax-reform suggestions in the next Book, it will be clear that the wage-earner can be easily freed from many of the taxes now falling on him; if all our suggestions—which are part of one consistent whole—are adopted, there would be no fear of additional burden.

#### IV.—Intellectual Recreations of Citizens.

We have spoken before of the need to provide facilities for the physical recreation of citizens. There is an equal if not a greater need to provide for intellectual recreation of a sound, healthy economical kind, which only a muni-

Need to provide Intellectual Recreation.

\* Municipal Insurance against fire is an accomplished fact in many German towns, chief among them being: Breslau, Berlin, Hamburg, Königsberg, Stettin and Lubeck. The plan they follow in these places is to make the insuring of all properties situated within the Municipality against fire compulsory on property-owners; the rate of premia depends directly on the loss suffered,—and not on the value stated for insurance. Glasgow also in Great Britain has a municipal insurance business, and takes 20% of the Fire risks, while London also insures all the municipal school-buildings against fire municipally. Cf. Fairlie, *Municipal Administration* pp. 150-51. He also mentions Rome to have been the earliest example of having a municipal Fire Brigade. See also Dawson op. cit. for the miscellaneous municipal activities of the German towns pp. 216-7. The leading Indian Municipalities have only come to the stage of insuring their own properties.

cipality can provide, though the results of such a provision would be necessarily intangible, and so incapable of measurement. Almost every town in Europe is richer in its art galleries and museums of every kind than the richest towns perhaps in India. Vast outlays are made there not only on town-halls and monuments, but also on public theatres, and concert-halls, and libraries, which serve a much greater purpose than the mere whiling away of an idle hour. The following table summarily expresses the activity of the most important German and British towns in this department:—

Towns & Population.	Libraries & Reading Rooms.	Art and Science	Theatre and Music.	Miscella- neous.	Total.
	£	£	£	£	£
Aix-la-Chapelle (158,800)	1,720	4,850	16,680	2,800	26,050
Dusseldorf (390,000) ..	5,725	8,350	26,500	4,105	44,680
Essen (307,000) .. ..	2,350	5,520	15,320	270	23,460
Cassel (155,300) .. ..	930	....	....	3,580 (b,c,d)	4,510
Chemnitz (287,800) ..	2,850	3,130	18,130	....	24,110
Dantzig (173,900) ..	3,750	7,140	500	120	11,510
Frankfort-on-Main (431,900)	7,660	32,530	30,280	5,460	75,930
Manheim (217,700) ..	1,080	16,800	27,930	2,870	48,680
Total (pop. 2,122,400) ..	26,065	78,320	135,340	19,205	258,930
Expend : per inhabitant.	2.9d.	8.9d.	15.3d	2.2d.	29.3d.

Towns & Population	Libraries & Reading rooms.	Art and Science	Theatre and Music.	Miscella- neous.	Total.
	£	£	£	£	£
Leeds (445,600) .. ..	12,992	1,033	346	....	14,371
Cardiff (184,600) ..	7,706	....	....	....	7,706
Dundee (165,300) ..	6,506	....	....	....	6,506
Birmingham (840,200) ..	21,726	23,662	....	....	45,388
Glasgow (1,105,200) ..	27,306	13,324	4,585	29,348	74,563
Manchester (731,700) ..	31,792	10,427	5,609	4,126	51,954
Huddersfield (107,800) ..	2,028	5,069	....	....	7,097
Newcastle (271,300) ..	848	2,569	495	10	3,922
Leicester (227,200) ..	4,020	13,091	284	....	17,395
Salford (231,400) ..	7,778	1,619	....	....	9,397
Bradford (290,300) ..	8,295	2,280	....	....	10,575
Bolton (180,900) ..	6,718	....	....	....	6,718
Sheffield (454,600) ..	9,720	4,183	4,872	....	16,775
Bristol (359,400) ..	8,674	1,500	....	....	10,174
Total (pop. 5,595,500) ..	£156,109	£78,759	£14,191	£33,484	£282,541
Expend. per inhabitant..	6.7d	3.4d	0.6d	1.5d	12.1d

On a comparison of the English with the German towns, we find that the former show a larger outlay on libraries and reading-rooms, while the latter seem to be spending far more on the Drama and Music. Though the attempt to improve and widen the cultural and artistic outlook of the working-class began with the workers themselves, Municipal enterprise has carried this attempt much further than the workers by themselves could ever have done. And the workman in Germany or France does not merely read senseless fiction, as the statistics of the lending libraries amply show. And as libraries by themselves would not suffice, cities in Europe make it their particular concern to provide superior education for all classes. The Berlin Municipal Continuation school, for example, provides instruction in 40 occupational groups, and the aggregate attendance exceeds 36,000. On the other hand, the municipal theatre and concert-hall is an old flourishing institution in the land of Schiller and Goethe, the towns owning as well as working their theatres, or owning and leasing them, or simply subsidising private effort, to secure the help of this most potent agency in the education of the people at large, in the promotion of moral or social ends. A great authority on German municipal life, after reviewing the heavy expenditure of German towns on the theatre and the drama, asks the question whether municipally owned theatres have encouraged the **higher drama**, and gives a most emphatic reply in the affirmative. He thinks the reason is not so much municipal action, as the higher standard of education and taste in Germany.

British vs.  
German Prac-  
tice.

If Indian cities are, comparatively speaking, backward in their equipment for safeguarding the physical health of their citizens, they are far more backward in securing and promoting the **intellectual welfare** and artistic outlook of the population. The **Theatre** and the **Cinema** and the **orchestra** (wherever it exists) are rigorously private concerns, the municipality having not even its board of censors to consider and approve the spectacles presented night after night to the citizens.\* The great, though somewhat unfortunate, influence of the visual exhibition is not realised at all : and it is left almost wholly to the **police authority** to pass or stop spectacles which may have an incalculable influence on the morals of the community.† Speaking generally, the indigenous drama in India is at its lowest ebb, suffering as it does from a woful lack of patronage of the State or of the cities; and, as regards imported drama, though its benefit or mischief may be confined to the non-Indian or Europeanised sections of the community, its general tone and artistic level can scarcely be commended as models. The board of censors works somewhat like an extinct

\* S. 391 of the Calcutta Municipal Act prohibits any person from keeping a public place of amusement except under license.

† There is a Board of Censors to overlook the Cinema-films and Theatre productions in Bombay. But the Board is a nominee of the Provincial Government, acting in concert with the Police Department. It has little or no municipal responsibility, and certainly no educative value comparable to the corresponding German Boards.

volcano, and the citizens, meanwhile, suffer a progressive deterioration in taste and judgment and appreciation, if nothing worse. In any case, the Municipal authority holds itself severely aloof from all such mundane vanities—even the band in the public places being the outcome rather of the Governor's goodwill than of municipal activity. Finally, the Indian municipalities are naturally innocent of any conception of their civic duties in providing libraries,\* and museums, and picture-galleries. They would certainly suffer no depreciation if their functions are expanded, by statutory provision or voluntary extension, so as to cultivate more intensely and soulfully these neglected fields.†

## V --Miscellaneous Functions in connection with Public Health.

Other activities to promote Public Health.

The brief outline given above of the activities of Municipalities in safeguarding and promoting the Public Health within their jurisdiction does not exhaust all that a municipality can do in this direction. Thus, the reclamation of unhealthy areas for example, while it may have no direct bearing on any immediate problem of public health, is nevertheless of great effect in including a healthier atmosphere in the city. The reclamation may be attempted as an effective item in an active programme of health improvement by housing reform, as in Bombay or Calcutta; ‡ or it may be a merely passive ingredient in the general prescription for a preventive campaign against disease. The clause in the Calcutta and Bombay Municipal Acts, requiring the municipal authority to fill up all wells, pools, &c. and the ceaseless activities of the municipalities in these directions, may be cited as an example of the latter kind.

Campaign against Dogs, Pigs, etc.

Another such function discharged by municipalities in India is the removal and destruction of stray and ownerless dogs or pigs, the practice corresponding to some extent to that of British Municipalities. Bombay is particular in its campaign against dogs; while Calcutta and Madras are obliged, by their constituent acts, to specialise in the persecution of pigs. The excuse for this activity is probably to be found in the danger supposed to lie in the dogs biting and infecting the bitten person with hydrophobia. We presume the excuse in the Madras and Calcutta provisions for pig-persecution is to be found in the offence to public decency which the unrestrained roaming of these natural scavengers of the city causes to highly sensitive citizens. The method of the lethal Chamber adopted for the destruction of such dogs in Bombay,—and the system of disposing of the flesh, skins, bones, hair &c. of these animals—has much to be said.

\* The Bombay Municipality has the Victoria and Albert museum, and subsidises the Prince of Wales Museum. But these are hardly equal to the wealth or importance of the city.

† We may add in this connection that just as in ancient Greece and Rome, so in ancient and mediæval India, catering for the amusement of the people was a function of the Government. If, therefore, the modern municipality in India makes such an extension of its functions as to embrace the public amusement, it would be only resuming an old and honoured tradition, which is certain to be universally popular.

‡ It is open to doubt if the health conditions in the houses built on land reclaimed from the sea in Bombay would really be an improvement over the prevailing conditions.

for it on the score of humanity as well as economy, if once we accept the current excuse for such a persecution. Certainly, those who have personally witnessed the crude, cruel practices of the dog-catcher in actual life will always remember the sight with a thrill of horror and disgust, that will not be easily overcome by the pseudo-scientific reasoning supporting this atrocious crudity. In any case, even if the excuse is solid and the destruction inevitable, we should still insist on more humane methods of dog-catching than are commonly to be found in a city which maintains special hospitals for superannuated cattle. The analogy of rat-catching or destruction of the rodent vermin, supposed to carry plague infection, may be profitably cited in support of this plea for more civilised and humane methods of enticing the stray and ownerless dogs to the lethal Chamber, pending the reform of the legislation insisting upon proof to show the animal to be a real source of danger before its summary destruction could be permitted.

In England, Municipalities issue muzzling orders on dogs. The pasteur treatment as a curative is now available in India in several places, Kasauli and Coonoor being the best known; but the preventive measure of dog destruction is perhaps easier, though less humane, and can be tried by every Municipality. In Bombay alone, in a specially constructed lethal chamber, they destroyed in 1923-24, 10607 stray and ownerless dogs. The Pasteur Treatment.

Similarly, the provisions regarding the prompt removal of all dead animals, from the vicinity of human habitation, and their proper disposal by Municipal agency, make an example of the same category.\* Lastly, we might mention the case of those sections in the Municipal Acts in India prohibiting the erection of human habitations on ground used for throwing dead animals, or offal, as an illustration of the same general anxiety to prevent disease and promote public health. Removal of Dead Animals.

## VI.—Eating and Lodging Houses and Health.

Great as are the dangers of disease-carrying animals, the dangers of unclean food in a large city cannot be exaggerated. And yet from the very nature of their conditions, thousands and hundreds of thousands of people in large towns are unable to secure good, clean food for themselves. By the conditions of their employment, they must take at least one meal away from home: and by the conditions of their life in general, where the thirst for amusement in Supply of Wholesome Food.

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\* In Bombay, the carcasses of large animals like horses or bullocks are removed to an area on the outskirts of the city, where a colony of the lowest class of people skin these animals and dispose of the hides, hair, bones, &c. by contract to those engaged in these trades. The cleansing and scavenging of this area is done by an army of vultures numbering over 50,000, which clear the ground of 18 or 20 carcasses completely in less than half an hour. A part of the flesh of these dead animals is eaten by the skinning colony; the municipality, however, provides safeguards against the reintroduction of such contraband meat in the city, which has its own slaughter-house. The skinning contract is given for Rs. 31,500/- per annum by the Municipality, which also meets the cost of removing the dead animals by rail and cart combined,



theatres and cinemas of all sorts predominates, they often take another meal, too, outside the home. The public eating-house flourishes in large cities more than ever; and in such eating-houses, owned by private proprietors,—where mass-production and profit-making is the guiding principle,—food cannot always be wholesome in material, or clean in preparation. Of course, this remark may not rigorously apply to proprietary hotels and restaurants catering for the richer and middle classes, where the proprietor must, for his very living, maintain a semblance of wholesomeness and cleanliness, that are utter strangers to the eating-houses of the poorer classes; though even in the richer hotels, those who read the imaginary experiences of Bindle as a waiter cannot but doubt if the appearance of cleanliness and wholesomeness is any more than skin-deep. It is in recognition of the great danger to which large masses of civic inhabitants are daily exposed from the unavoidable conditions of their lives that the Municipal authority in many countries owns and runs its own hotels and restaurants, besides the contributory industries or enterprises of working salt mines, providing aerated waters, owning bakeries, breweries, abattoirs, fisheries, orchards, wine-cellar &c. In Germany, out of 1279 towns of all sizes, 104 have their own municipal inns and restaurants, besides 126 owning their own abattoirs and stock-yards, 7 their own breweries, 5 their own salt and mineral springs, 2 each their own fruit preserving factories, refrigerating works, wine-cellar, bakeries, dairies and fisheries. Being ever ready to engage in any of the food-supplying industries or businesses of all kinds, the Municipality in all these places is able very effectively to control the private eating-house and thus safeguard in a measure the public health.

The Public  
Eating House  
in Indian cities

In India, however, though the public eating-house has multiplied enormously in recent years in large cities like Bombay and Calcutta; and though the general conditions in the commoner sort of these eating-houses are anything but perfect as regards wholesomeness of food or cleanliness, the Municipality does very little towards regulating or improving them. S. 390 of the Calcutta Municipal Act makes a feeble effort at a system of licensing the public eating-house.

"No person shall, without or otherwise than in conformity with the terms of a license granted by the corporation in this behalf, keep any eating house, tea-shop, hotel, boarding-house, bakery, aerated water factory, ice factory, or other place where food is sold or prepared for sale."

But the license fee is only one rupee maximum, and the compliance with the terms of the license a matter of inspection, which is yet to be thoroughly developed in India.\*

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\* Licensing powers for the control of intoxicating drinks and drugs is left to the municipal authority in Holland, Sweden, Norway, Portugal, Mexico, Argentina and Japan; and they are in those countries accustomed to charge heavy license fees.

Where eating-houses are not properly controlled it would be absurd to speak of lodging-houses, though these are another prominent development of our modern city life with a menace to the general health of the city. In Germany and France, the lodging-house comes under very rigorous supervision of the Municipality, and offers a far healthier living than is possible in uncontrolled institutions..

Lodging-Houses.

## VII.—Industries connected with Public Health.

While it never should be the aim of municipal activities in connection with public health to make money out of their efforts, it may quite possibly happen that an enterprise, originally undertaken for altruistic reasons, may, nevertheless, incidentally yield a good revenue to the Municipality. The Municipality in Bombay is given a discretion, for example, in charging fees\* for any hospital treatment given to patients; and though it is neither intended, nor ever happens, that the income from these fees should come anywhere near the expenditure involved in the upkeep and working of hospitals, still it is a good illustration to demonstrate the full possibilities of such an enterprise.

Municipal Income from Public Health Activities e. g. Hospital fees

A cognate case of Municipal enterprise in connection with public health measures which has also a financial aspect, is that of a municipal Drug-store. Breslau, Hanover, Mayence and three other towns in Germany have their own municipal pharmacies, Breslau deriving a revenue of £2,000 a year net from the sale of drugs. Municipal drug-stores for Municipal hospitals only are, of course, much more common. The tax of the private entrepreneur in this business, with its host of patent medicines of all kinds and prices, is notoriously heavy, not merely in money. The danger to the public health from an indiscriminate use of these patent medicines and insufficiently known drugs is impossible to over-estimate. Municipal control of the drug-stores in a city, even if left in private hands, is a measure of public safety, which it is very surprising the enlightened municipalities have not yet thought of applying; for the unregulated, uncontrolled or unlicensed sale of all and sundry drugs cannot but be objectionable from more than one standpoint. And if a central municipal drug-store is established,—with branches at convenient centres in large municipalities—the establishment of a factory for the manufacture of the commoner drugs on a large scale will simply be a question of convenience. From the combined source of Municipal drug-store and drug-factory, it is not at all unlikely that the Municipality which takes such a bold step should be able to derive considerable revenues, and yet render immense service to the community.

Profits of Municipal Drugstores.

As regards indirect measures for the improvement of public health in a city, the financial possibility can only be fully estimated and appreciated when such

Indirect sources of Income e. g. Burial grounds and "Undertaking" business.

\* "In Public hospitals and dispensaries established and maintained, and in connection with other measures carried out, under clause (gg) of section 61 such fees, if any may be charged as may be prescribed by the corporation."

See section 62A of the Act of 1922.

measures are reasonably tried. Take the case of the requirements for the disposal of the human dead. Municipal anxiety in this regard is at present confined to seeing that the ground used for burial purposes, for example, is not polluted by the decomposing human body, or rather that the water-pipes &c. passing through the land are not contaminated. Even in the case of bodies that are burnt, the municipality only cares to see that the disposal is so made as not unduly to pollute the air: the rest is left entirely to private enterprise. On the other hand Municipalities in Western countries have their own burial grounds, plots in which can be and are sold at rates that may bring a profit to the city. Nor are these cities altogether backward in regard to "undertaking" business, charges for funeral service and equipment being graduated so as to suit all pockets and tastes,—and at the same time so regulated that every citizen should be guaranteed a suitable disposal after death as far as his human remains are concerned. Cremation by electricity, though no longer a novelty in European towns, is yet considered in India so much in the nature of a luxury, that profits from that source are not much more common and considerable. In Indian cities, crematoria, if and when established, will have to be worked on much more popular lines; but the large scale operation in Indian cities will necessarily help to reduce substantially the cost of such post-mortem facilities for a defunct citizen.\*

Municipal  
Laundries.

In yet another direction can an enterprise primarily designed to promote public health, be incidentally utilised to make some money for that body. The washing and cleaning of clothes is too humble an enterprise to merit at first sight even passing attention. But the possibility of conveying infection by promiscuous washing of all clothes must not be ignored. No private enterprise in this direction can guarantee an absolute purity or a thorough disinfection of all the clothes washed or cleaned by it, with the result that while the proprietors of such private enterprise levy their toll on the community for the service they render, they do not guarantee the safety of their customers to anything like a reasonable extent. It is not enough for the Municipality to concern itself only with the disinfection of the clothes and bedding actually infected. If it takes up the washing of clothes as a collective, municipal business, it would not only be in a position to guarantee definitely a reasonable protection against infection from this source, but might even be able to make an income for itself and render a great service to the community into the bargain. For machine-washing and cleaning of all sorts—possible economically on a municipal scale—must needs result in large profits on the prices now charged by private washing and dry-cleaning establishments, and the profit will not much dwindle even if the present scale of charges is substantially reduced. The Bombay;

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\* Calcutta has a municipal crematorium; and in 1922-23, 16 cremations were carried out by the Lighting Department of the city. The crematorium is under the Municipal Engineer District III, but not the plant.

Municipal Act (S.386) authorises the commissioner to set apart by notice certain places in the city or on the sea-shore reserved for washing and bathing, and also gives him power to regulate the use of the same (S.387), there being prohibition of any other use except that specified in the order; it strongly prohibits any corruption of water by the steeping into it of any animal or chemical matter. (S.389). A single section (377) in the Calcutta Municipal Code authorises the corporation to construct suitable places for bathing or washing of clothes and animals, and prohibits the use by any person of any place not so constructed. In the latter city the corporation levies a rent charge from the washermen using its specifically constructed Dhobikhanas, which aggregate some 15,000 rupees per annum. But beyond this, the Municipalities in India have not yet perceived their responsibility in regard to the proper washing of the city's clothes, or the possibility of utilising that as a source of revenue for the municipality. Attention in all such regulations as do exist on this point is paid far more to maintaining the purity or cleanliness of the water used, than to any other aspect of the case.

Another similar industry indirectly connected with the maintenance of Public Health may be in the case, already mentioned, of eating houses and lodging houses in the city. By introducing a system of regular, recurring taxation, in the form of license fees or any other tax, on the eating houses, hotels, restaurants sweet-meat hawkers, and other dealers in ready-made food of any kind, graduating the tax according to the volume of business, the Municipality in big cities might derive a handsome revenue for itself. But such a measure would be quite easily misunderstood as a tax on food, and as such it may be resented: while its ulterior effects may be quite possibly to make the food supplied of a still more objectionable quality, if that were possible. For the private vendor of such taxed food will necessarily endeavour to pass on the burden of the taxation to the consumer. And if he does not succeed in charging higher prices to recompense himself for the tax, he will sell inferior quality of food at the old price which will make up to him for the burden of the tax. And, besides, however carefully the tax is graduated, it may prove quite likely iniquitous in its general incidence, particularly in the case of the poorer sorts of these places. Hence it is that we feel inclined to recommend that the Municipal Corporations in the larger industrial towns should conduct their own model hotels and restaurants—one or more each as convenient to the municipality and suitable to the classes of citizens visiting those places; and then use their licensing powers over other eating-places and food-selling establishments in the city to improve the quality of the food and drink sold in these places. If the municipality makes a beginning in this direction, it may eventually have quite a large business; but that need not cause, in our opinion, any apprehension regarding either the fortunes of the private eating-house keepers of to-day or of the municipality. The great variation

Eating and  
Lodging Hou-  
ses, Hotels and  
Restaurants.

in the customs relating to food in the several communities living in a modern Indian city,—and particularly the distinction between vegetarians and meat-eaters—may cause a serious difficulty, from the point of view of standardisation on the model of a J. Lyons tea-shop in London, or a Duval restaurant in Paris; and without standardisation, such an enterprise cannot be touched by a body like the Municipal corporation.

For without standardisation and simplification, the administration of such institutions would be an intolerable strain on the Municipal officials, as there would be neither routine nor regularity. But granting this difficulty to exist, it must still be recognised that city populations tend quite imperceptibly to be assimilated in their habits and customs regarding food; and that recognising one or two big lines of division,—*e.g.* between meat-eaters and vegetarians—the Municipality can still attain to standardisation, sufficient in degree to enable it to grapple successfully with this problem. For the same reason of an imperceptibly growing assimilation in city peoples, we have not even referred to the distracting influence of the caste-system, which even now is all but extinct among the peoples who frequent public eating-houses in private ownership. Caste may be a living and potent force for all these people in their other personal as well as social relationships. But caste is inevitably dead in matters of feeding in a public restaurant; and those who visit it know that it is dead or dying. There can, therefore, be no difficulty for an enterprising Indian Municipality making an inroad upon this business, from the point of view of the caste.

Municipal  
food-supplies.

As regards the material for food, if the municipality owns its own abattoir, the supply of wholesome meat would cause no difficulty. And as regards cereals, flour of all kinds, oil, ghee and other accessories, like tea, coffee, sugar, spices &c. the Municipality might either have its own farms, orchards, fisheries, oil-mills, tea-gardens, coffee plantations, sugar-factories, etc. or procure all these materials on the basis of the Co-operative Wholesale Society trading with other countries than its own for the specialities which could not be had in its own country. The British C. W. S. has actually built up its factories, its gardens, orchards, and ships. We do not see why the Indian municipality should be unable to do as much in this compulsory association of consumers. Bombay, for example, has been reclaiming a plot of 800 acres by its own refuse-dumping. Two hundred odd acres thus reclaimed are already used by a private cultivator to supply fresh vegetables to the city. He raises 4 crops in a year, pays a rent of Rs. 25,000 to the municipality, and employs 300 workers. The land can be still more fertilised by diverting the city's sewage on it; why can it not be used to raise other crops for the city's eating-houses? Or, again, the city owns a strip of 20 yards on either side of the pipe-line from Tansa to Bombay, 55 miles. What a chance for a magnificent Municipal orchard here?

The Municipal corporation embarking upon the supply of food must, of course, adhere rigorously to the general policy, accepted in the common interest of the community at large, of the discountenancing of certain offensive articles of food and drink. Thus, if the community as a whole resolves against the use of intoxicating drinks or drugs, the Municipality must not, on any account, permit or supply such articles in its own eating-shops; and it must use its power of taxation and licensing to the hilt to discourage the use of such deleterious articles in the private shops as well.

The real object is amenities, not income. It must never be forgotten in all these instances that the Municipal activity is primarily intended to provide greater amenities with a view to improve the conditions of life in general. If an income or revenue accrues to the Municipality from such activities, that must be regarded entirely as of second-rate importance. Thus in the case of the lodging-house, until the Municipality abolishes altogether private ownership of residential premises; the lodging-house will continue to be a private enterprise for the most part. But the municipality can by frequent, regular, and thoroughgoing inspection,—and, better still, by maintaining some of its own lodging-houses,—set a standard, which cannot but react on the general health of the citizens. The Municipally owned or controlled lodging-house cannot, of course, be an acme of comfort and luxury. But it must provide that modicum of comfort, cleanliness, and decency, which is indispensable to the maintenance of ordinary health. The old-time charitable *Dharamshala*,—the common, free, public rest-house in Old Indian towns—is rapidly disappearing before the modern hotel and lodging-house; and if the city authority does not take care that this modern development supplies at least a minimum standard of decency and comfort, the danger to the public health would be incalculable. As all these industries and their natural off-shoots and extensions have a financial aspect, we shall work out that aspect more fully in the section of this work devoted to that subject. They are mentioned here in order to give an idea of the ramifications that a consistent and courageous policy of looking minutely after the public health of the civic community may have in the hands of an enlightened and conscientious Municipal Council.

Amenities and not income is the real object of such activities.

## CHAPTER VI.

### PUBLIC SAFETY.

#### I.—Scope of the Chapter.

Division of  
the subject.

In considering the Municipal functions providing for public-safety, we must divide the subject into three convenient sections. One concerns the group of measures of a **precautionary** kind that are calculated to avoid or guard against any harm occurring to the person or the property of the individual citizen. In this group must be included the provisions and measures relating to the **lighting of streets and public places at night**: the regulation of traffic in streets and at junctions of more than one street so as to minimise accidents, including all those devices conveniently grouped under the collective heading of "Safety First," the removal of or safeguarding against dangerous buildings or trades, and new constructions etc. A second group would include **Protective measures**, including Police functions of all kinds, commonly comprised in **Watch and Ward measures**, together with the natural off-shoots of such functions as typified by Prisons, Reformatories, *Correctionels* &c. We may also in this connection make a passing reference to the duties and functions of the civic police, judiciary, and magistracy. Lastly the group of municipal functions included in **Remedial Measures** is illustrated best by a city Fire Brigade. Together these contribute to the degree of public safety which distinguishes not only one municipality from another, but also one country from another, one civilisation from another.

#### II.—Public Lighting.

The Problem  
of Public Light-  
ing.

Taking first the question of Public Lighting in Municipalities, we may point out that the problem wears nowadays a most complicated and many-sided aspect. In the first place, the objective aimed at in our own times is quite different from what it was when the problem of lighting came first to be tackled. In the cities of the old world, including Rome at the height of its grandeur, there was no arrangement for public lighting. Every wealthy or considerable citizen, when he stirred out at night, was lighted on his way by torches borne by his own slaves or servants; the rest of the city's population being obliged to look after themselves as they best could. Paris, it is said, was the first among European cities to take up municipally the task of public lighting in 1558, to be followed in the beginning of the eighteenth century by other European capitals. The purpose of street lighting in those early days was to provide for the safety of citizens, whom business or other reasons compelled to be abroad at night, against the **highwaymen** and footpads prosecuting their predatory profession most con-

veniently and safely in the dark. At the present time, this original purpose of public lighting may not be altogether lost sight of in the principal cities of the world; but thanks to the growth of order and the efficiency of the police, this old purpose tends to be obscured. The chief objective in public lighting at the present time in municipalities seems to be rather the securing of public convenience in the regulation of modern varied and high-speed traffic of all kinds. At best, it is on this consideration that are decided questions of detail in the main problem of public lighting.

Another complication,—one quite characteristic of our age—arises from several different and mutually competing means of lighting available. The old time oil-lamp may be safely regarded as being now definitely a back number in all important cities. But the competition is no less fierce as between gas and electricity—the two most common and considerable means of lighting the city. Given the latest improvements, like the Welshback mantles, the incandescent light, the arc lamp, with labour-saving devices in the shape of automatic igniting and extinguishing arrangements for gas lights, there is often very little to choose between gas and electricity, from the standpoint either of the volume of illumination obtainable, or the facility and reliability or even economy of either agent in lighting. The easy accessibility to fields of natural gas, or the possibility of economical manufacture from coal or water, as against the cost of generating electricity, may often be a decisive factor in the final choice of an illuminant by a city. But, it must be remarked in this connection, that the actual item of illuminant agent is a very small consideration in the total cost of lighting a city,\* and that in such questions as whether public lighting shall be for the whole night or only for part of a night, or for some nights in a year only, if stress is laid on the saving in the gas or the electrical energy, that stress would be very much out of place. The volume of illumination is, perhaps, greater in electric lighting than in gas, though gas also can produce in a unit as much as 4000 candle-power. The securing of a certain amount of illumination on the street surface is much more truly a question of the height and distance between lighting poles, and of the nature and volume of traffic on the particular streets to be lighted, than of the actual agent used in light production.

The problem of public illumination is usually studied in two main divisions: **Interior and Exterior Lighting.**  
 —Interior illumination including that of public libraries and reading-rooms, or

\* In the case of gas light, the cost of gas production is not the only or even the most important item, though even the cost depends on the combined consideration of the raw materials and labour used in gas production and the price obtainable for the bye-products of coke, tar and ammonia. In addition to the cost of gas, there is the expense of providing holders, distributing mains, of maintaining and repairing posts, mantles and globes, and cleaning lamps. Still more important is the cost of labour in lighting and extinguishing gas lamps. In Boston, it takes one hundred and ten men, paid at the rate of 2.25 per day to look after approximately ten thousand lamps,—a charge of about 19 dollars a year per lamp for labour alone. The total cost including labour is 21 dollars per lamp per annum. cp. Munro *Principles and Methods of Municipal Administration*, p. 23.



**schools, police-stations, fire brigades, theatres and concert-halls; and Exterior illumination of streets and squares and parks and public places of all kinds.** In the latter case, again, the problem of lighting differs according to the different character of the streets and public places. Main thoroughfares with heavy business traffic, in the chief shopping centres, where tramways, motor-cars, horse-cabs, bullock carts, and pedestrians of all ages and sexes, jostle one another, require a far greater degree of brilliance, than the streets of residential areas where traffic is ordinarily very limited at night; and a still smaller degree of brilliance would be needed in the outlying areas of a suburban character. Squares and circles and street junctions of all kinds would, again, need a much greater degree of light than the linear street-surface; while parks on the other hand, where traffic is naturally not very heavy, would need lighting just enough to enable the patrolling policeman to detect disorderly persons at a reasonable distance. The height and spacing of lights, the protection against glare and against the dissipation of light by such obstacles as trees or curvature in the streets, would also be a consideration in the actual illumination of specified areas. Yet another consideration, by no means negligible in modern cities, is that of aesthetics in the layout and equipment. Surface and underground economy is also involved in the matter. The unsightly old wooden pole is gone, and of its substitutes—the pole-top, bracket, mast, and cross-standard methods, the last is perhaps the best from the point of view of illumination, as it suspends the lamp in the middle of the street by means of a cable that runs either from poles set opposite each other, or from abutting buildings, and so gives the greatest possible light on the street surface; dissipation of any part of the light is prevented by covering the top of the lamp. If, however, these cross-standards are considered to create undesirable street obstructions, the bracket may be preferred, though the latest advances in the method of laying underground electric cables—encased in vitrified clay conduits or iron piping—renders the street obstruction as little as possible.

Organisation  
of the Lighting  
Department.

The complication caused by the organisation from the business point of view for public lighting is not absolutely new, though the present dimensions and difficulties of that question are really of very recent origin. Must the Municipality light its own streets and public places? and, to that end, must it supply all the power, fittings, and accessories from its own enterprise? or should it leave this task by well-defined agreement to private enterprise? There is also a side issue in this. Even if the Municipality permits a city to be lighted, under a special contract, by a private company, it does not follow that with the contractual obligation of supplying light and power would automatically go, too, the privilege of excavating the city's streets, laying cables and piping, putting up poles and standards and brackets &c., as also the privilege of continuing to supply light to the city, no matter what changes may have taken place during the period of the

contract. The latter is known in American political phraseology as franchise, and is distinguished from the contract of light-supplying. From the point of view of the company providing light, it would be fatal to obtain the contract without the franchise; but from the point of view of the Municipality, the most careful attention would have to be paid to keeping the two distinct as far as possible. As this, however, involves financial considerations predominantly, we shall leave it at this stage to be considered more in detail in the section of this work dealing with Municipal finance.

In Indian Municipalities, public lighting is done still very largely by gas, though electricity is rapidly coming into greater and greater use. The latest administration report for the Bombay Municipality (1923-24) states that the city is lighted by gas, electricity and kerosene oil.\* Out of 182 miles of total road length in Bombay, 172 miles are lighted by gas, 1 mile by electricity and 9 by kerosene oil. The total expenditure on public lighting for the year 1923-24 was distributed as follows:

Gas lighting .. .. .	Rs.	5,40,290
Electric lighting .. .. .	"	1,650
Incandescent Oil .. .. .	"	79,440
Kerosene Oil .. .. .	"	30,440
Cost of new lamps .. .. .	"	23,653
		<hr/>
		6,75,473

In the case of gas lighting, the whole work of lighting is done in Bombay under contract with the Municipality by a private Company, the Company being in the last renewal of their contract given a fresh lease of 7 years in 1923.† According to this lease, the rate of maintenance of the ordinary low-pressure lamps is Rs. 57 each per annum, for the first three years of the new agreement, and for the remaining four years the rate is to be higher or lower pro rata with the net cost of the gas i.e. the cost of coal less receipts for residuals as certified every year by the auditors of the Company. Under the contract, the corporation guarantees to the company a minimum of 6000 lamps in the city, and in return the company is bound to lay down mains at their own cost wherever required, the mains being the company's property. The company is bound to retain the upkeep of lamps in its own hands, subject to approval by the corporation of the type and size of the lamp used, and to provide and put up all columns, brackets, lamps and fittings at the expense of the Corporation. The upkeep of lamps includes lighting

*The Problem  
of Lighting in  
Bombay.*

\* There are about 9372 gas lamps and 196 electric lights from 250 to 100 candle power each.

† In Calcutta there were, in 1921-22, 14,455 gas lights in the streets, 1,048 kerosene oil lamps, and 208 electric lights, the last mentioned expanding every year. The city was considering, in 1922-23, a permanent scheme for electrically lighting by means of high power cluster lights, and at a cost of Rs. 2,28,319 borne by the City Improvement Trust, the Central Avenue, Chitpure Spur, and Russa Road. The scheme has been sanctioned by all the parties concerned and work started in 1923-24.

and extinguishing and keeping clean and renewing glass and mantles, the company being indemnified for any accidental or wilful damage done to its property by strikes or riots or the like. The lamps must be lit and kept alight in accordance with a schedule of hours annexed to the agreement, the total number of lighting hours per annum being 4051.\*

Gas Lighting  
in Bombay.

In no other department of municipal administration have the specifications for service been less satisfactory than in public-lighting contracts. Such as have been inserted in these contracts are, as a rule, the work of the city engineer, or some other official who is not an expert in lighting matters and rarely consults any one who is. The result has been that contracts frequently stipulate for so many lamps of such-and-such candle power and let things go at that. Yet the assumed candle-power of a lamp may be altogether wide of its actual intensity. A notable example of this discrepancy appeared a few years ago in a Western city which contracted for "arc lights of standard 2000-candle power" only to find out later that the actual maximum intensity of the so-called standard 2000-candle power arc was not more than 600 candle power when properly measured. And yet in the litigation that followed, many a litigating expert deposed that the company was meeting the specification. We have given above the outlines of the Bombay Municipality's contract somewhat fully to show how this most difficult problem in drawing up a lighting contract,—the term of the contract, the obligation to supply equipment of all kinds and their standardisation, conditions for making alteration in the lamps or the illuminant, the price per lamp, the standard of brilliance &c., the numbers of hours of lighting—could be settled in a practical contract. †

For the electric energy, there is a charge of 3 annas to the corporation for one B. T. U.

In Calcutta. Calcutta is supplied with gas by a private Company,—the Oriental Gas Co. Ltd.—under a contract with the Municipality, while its electric power comes from another private concern, the Calcutta Electric Supply Corporation.

In Madras. Madras, perhaps, has gone the farthest in the matter of electric lighting of public streets, there being in that city in 1922-23, 1805 kerosene lamps and 5982 electric lamps, with 203.88 miles of cable. Of the 30 divisions of Madras city, 25 divisions (5 to 15 and 17 to 30) are wholly lighted by electricity and the total cost was Rs. 1,25,204 for the year, divided as follows:—

\* It may be pointed out, however, that the actual wording of the several sections relating to the provision of lighting in the principal Indian Municipalities leaves it somewhat doubtful if on a strict construction of the letter of the governing section it is open to them to contract with private corporations to supply the city's lighting. Thus S.330 of the Bombay Municipal Act of 1922 says:

"The commissioner shall (a) take measures for lighting in a suitable manner the public streets and municipal markets and all buildings vesting in the corporation,  
† Munro op. cit., p. 243.

Madras Electric Supply Co.'s Bills for energy	52,936
Maintenance and other charges .. ..	2,582
Repairs to Electric lamps .. ..	26,216
Establishment and allowances .. ..	18,602
Labour .. ..	24,866

The city is apparently content to get only its electrical energy from a private corporation, doing all the rest of the work in electric lighting itself. Its cost for lighting works out to a very small figure per lamp compared with Bombay or Calcutta. In regard to kerosene lights, it seems, from the Madras Municipality Administration Report 1922-23, that there is a private contractor under the municipality in this department.

We may also note here that either of these agents for the supply of power or energy—gas or electricity—can be and is used for other purposes besides lighting, such as cooking or industrial power. The charges for the service are usually different for lighting and for power purposes, because while in the case of lighting the demand is limited and intermittent, in the case of energy demanded for industrial power, the demand would be far more constant and extensive, so that the corporation undertaking the supply can do so more cheaply.

Further, even when such enterprises are left in private hands, they have almost always to be made into monopolies, controlled and regulated by the state or the city.\*

### III.—“Safety First ” Measures.

Next in importance to measures relating to the lighting of streets, may be mentioned all that group of measures or functions of the municipality which are

(Continued from previous page.)

(b) and procure, erect and maintain such a number of lamps, lamp-posts and other appurtenances as may be necessary for the said purpose, and (c) cause such lamps to be lighted by means of oil, gas, electricity or such other light as the corporation shall from time to time determine.

What does this mean? The commissioner must provide lighting. He may do so directly by the Municipal Agency or through the agency of a private company. Clauses (a) and (c) leave him a latitude for the purpose. But clause (b) seems to make it incumbent that the lighting equipment must belong to the Municipality. And yet the contract with the gas company leaves it to be the property of the company which supplies all the appurtenances as well as the energy for lighting. The same seems to us to be the meaning of clause (d). The Calcutta S. 367 is almost identical in meaning.

\* Of the fifty largest cities in Germany and in Great Britain in 1909 (Municipal Year Book of Great Britain for 1909 and *Kommunales & Jarbuch of 1908*) there were

In Great Britain towns.	Owning their own.	and in Germany.
39	Water supply	48*
21	Gas Supply	50
44	Electric Supply.	42
42	Tramways.	23
49	Baths.	48
44	Markets.	50
23	Slaughter-houses.	43

\* Mr. W. H. Dawson (op. cit. p. 184-5) analysing the enterprises of 1279 Prussian Towns of all sizes, says that of these

561	owned their own water works.
440	“ “ “ Gas works.
201	“ “ “ Electricity works.

But since then the progress of municipalisation has been considerable.

conveniently summarised under the head: "Safety First Measures"\* These measures relate to the guarding of citizens against all kinds of accidents, e.g. from rapid mechanical traffic in the streets; and for that purpose may embrace a number of the most elaborate codes for the regulation of street traffic, for the provision of special footpaths in congested streets with heavy traffic, or of islands and refuges in the middle of streets, to permit of easy and safe crossing of congested street junctions. The regulations may also provide for subways under the surface of the road, for kiosks or other such waiting arrangements in the streets for passengers intending to take to the street cars; for traffic-regulating signals or apparatus: for the very planning of streets and their junctions so as to permit of the safest and most expeditious movement of traffic. As a rule these regulations are embodied in the police powers, which also comprise measures of safety against the riotous and disorderly elements in the city's population. Where, however, as in India, municipal authorities lack altogether the police powers, these regulations are naturally not comprised within the powers and functions of the city corporations; and if any of these measures are provided by city authorities—such as refuges in street-crossings, or waiting-rooms (kiosks) for passengers on street cars—they come under a totally different group of civic functions, viz. the group of functions included under the head Public Convenience. The widening and paving and lighting of streets; the removal of dirt and refuse by regular cleansing and watering, (particularly of snow and sludge in cities of the colder regions) though included in municipal functions, are included for the purpose of meeting with public convenience, or Public Health, rather than Public Safety. As we have already considered the measures relating to Public Health; and as we shall consider more fully the measures regarding Public Convenience in a later chapter, we need say no more on this point except that, in our judgment, the divorce of such police functions from the ordinary duties of the municipal corporations is neither reasonable, nor economical, nor even logical.

#### IV.—Safety Against the Obvious dangers of City Life.

Powers of municipalities as regards the safety of the public.

Securing of public safety against the more obvious dangers of life in a great city is, however, not quite neglected even in Indian cities. Thus, for instance, every important municipal authority has the power to pull down all dangerous

\* Number of fatal accidents in 1911 in six of the largest cities.

CITY.	Accidents	Proportion accidents per 100,000 of people.	
London .. ..	444	6.18	
New York .. ..	423	8.87	
Paris .. ..	236	8.54	
Chicago .. ..	228	10.43	
Berlin .. ..	143	6.80	
Vienna .. ..	62	2.97	

See p. 211 *The Planning of the Modern City* by Nelson P. Lewis.

buildings and structures, which would cause a menace to the public safety.\* Under S. 329 of the Bombay Act, if any place or street in the city becomes dangerous to the safety of the public, or of the people entitled or obliged to use it, the Commissioner may require the owner or occupier of such a place to repair, protect, or enclose the place, or take any other measure necessary to ensure public safety. And if time is likely to elapse before the owner or occupier takes the required action, the Commissioner may at the expense of the owner or occupier take such temporary action as would guarantee public safety. Similarly, if a building or structure becomes dangerous to the inhabitants or to passers by, the Commissioner may require the owner or occupier by written notice to pull down, secure or repair such structure, and to prevent all cause of danger therefrom. In Calcutta, similar provisions are contained in Rule 4 Schedule XVI as to streets, and in Rule 4 schedule XVIII as to buildings.

Similar remarks apply to the requirement of properly guarding and enclosing all excavations in the public streets, whether for laying, or repairing, or inspecting mains for the conveyance of water, gas, sewage, or electric cables. These must be indicated in the dark or at night by the common danger signal of a red light.† The same object inspires the police precautionary measure of a red tail lamp at nights on all fast moving vehicles, and of darkened headlights to keep off the blinding glare.

We have mentioned, in connection with measures concerning the Public Health in a city, the duty of a corporation to reclaim unhealthy areas, to fill in wells and tanks likely to be the breeding places of malaria or other pathogenic bacilli, and need dilate no further on the subject.

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\* "If any place is, in the opinion of the Commissioner, from want of sufficient repair, protection or enclosure, or owing to some work being carried on thereupon, dangerous to passengers along a street, or to persons, other than the owner or occupier of the said place, who have legal access thereto or to the neighbourhood thereof, he may, by notice in writing, require the owner or occupier thereof to repair, protect or enclose the said place, or take such other steps as shall appear to the Commissioner necessary, in order to prevent danger therefrom.

If it shall at any time appear to the Commissioner that any structure (including under this expression any building, wall or other structure) is in a ruinous condition, likely to fall, or in any way dangerous to any person occupying, resorting to or passing by such structure, or any other structure or place in the neighbourhood thereof, the Commissioner may, by written notice, require the owner or occupier of such structure to pull down, secure or repair such structure, and to prevent all cause of danger therefrom." (S. 329, Bombay Municipal Act).

† Says S. 321 of the Bombay Act corresponding to rule 4 under schedule XVI of the Calcutta Act: "Whilst the execution of any work on behalf of the corporation is in progress in any street, the Commissioner shall

- (a) take proper precaution for guarding against accident by shoring up and protecting the adjoining buildings;
- (b) have any place where the soil or pavement has been opened or broken up, fenced and guarded;
- (c) have a light sufficient for the warning of passengers set up and and kept every night against any such place and against any bars, chains or posts set up under S. 319, for so long as such place shall be continued open or broken up, or such bars, chains or posts shall remain set up.

### V.—Provisions regarding dangerous trades.

Dangerous  
trades.

The measures considered in the foregoing Section are all more or less precautionary against the common accidents of city life. Those which we are to consider in the present section are also precautionary against accidents; but these accidents arise from a much more permanent danger than is the case in the examples already noticed. There are many trades and industries which expose those engaged in them to special dangers, and it becomes the duty of the State to provide specially against these grave dangers. We might mention pearl-fisheries or coal-mines as the most prominent illustrations of the kind we mean, but in these cases it is more fitly the sphere of the central government than of the Municipality, to lay down a definite minimum of requirements, to guarantee the safety of those pursuing such walks of life. Again, in every modern industry worked by power driven machinery, there is danger from accidents due to the negligence or inefficiency of fellow-workers. But here, too, the precaution or remedy, such as it can be, must be provided by State Legislation rather than by municipal regulation, in the form either of special compensation or general insurance against industrial accidents. The precautions which municipal regulations can afford are intended against those trades which might lead for example to fire. Thus, the provision in the municipal Act about buildings meant for one purpose being prohibited from use for another purpose, is a precaution of this nature. And the much more elaborate regulation of the storage of certain combustible articles betokens the same general tendency. Section 394 of the Bombay Act lays down that certain articles shall not be kept at all upon a premises except under a license and in conformity with the terms thereof, *e.g.* blood, dynamite, fulminate of mercury, gun cotton, blasting powder, nitro-glycerine. &c. On the other hand certain other articles, like Bidileaves, celluloid goods, chemicals, cinema films, cotton refuse and waste, cotton seed, ghee, gun powder, (5 lbs.) matches, methylated spirit, petroleum, (40 gallons) oil, saltpetre, tar, pitch or dammer, and Turpentine, **cannot be kept in or upon any premises**, except under and according to the terms of a license, in quantities exceeding at any one time the maximum quantities prescribed in each case by schedule M Part II under section 394. There are, again, articles enumerated in the same section and schedule thereunder. (Part IV) which must not be kept in or upon any premises without a license, except for domestic use only, *e.g.* ashes, bamboos, bones, china, grass, carbide of calcium, coal, coke, fat, cocoa-nut fibre, firewood, fireworks, fish, flax, grass, hay, hair, hemp, hides, hoops, horn, jute offal, rags, skins, straw, tallow, timber, wool. Finally, there are certain trades mentioned and classed in Schedule M Part IV of S. 394 as dangerous trades, which cannot be carried on in or upon any premises except under a license, *e.g.* Baking bread, casting metals, dyeing cloth, keeping eating-houses or sweet-meat shops, or hair dresser's saloons, tanning hides or skins, manufacturing or preparing aerated waters, bidis, blasting powder, candles, catgut, dammer, dynamite,

fireworks, gunpowder, matches, oil, offal, paper, pitch, pottery, rags, soap, sugar, callow, tar etc. It is a little difficult to see why keeping eating-houses should be classed as a dangerous trade, or making candles, unless it be that the municipal authorities are exceedingly impressed with the danger of fire in such crowded, close-packed, places as the modern large municipalities. A general clause relating to the dangerous trades in the same section is still more extensive in scope :

“Any trade or operation which in the opinion of the Commissioner is dangerous to life, health, or property, or likely to create a nuisance either from its nature, or by reason of the manner in which, or the conditions under which it is to be carried on” is prohibited except under license.”

The grant of license and its conditions is left to the discretion of the Commissioner.

A critical scrutiny of the lists given above suggests that this section is aimed not merely at trades dangerous to those who practise them or to the neighbourhood, or to those who come within range of such trades, but also trades, like hide-tanning, which may be generally offensive.\*

Scrutiny.

Again, provisions in the main Act or by-laws thereunder regarding the prohibition of projections in public streets, and the power to have the same removed ;† or of structures or fixtures which cause obstruction in the streets (S. 312 and 313) or of tethering animals in the public streets, may all be considered as being essentially of the generic description comprising precautions against accidents to the public. The regulations governing stables and garages have the same objective as also the same *raison d'être*.

Precautions,

But for all these precautionary measures, mankind can never succeed in driving away all the diseases from the earth ; and therefore municipalities must prosecute measures preventive of danger which might further assure the safety of the citizens.

## VI.—Preventive Measures for Public Safety.

The Municipalities of Presidency towns have not been backward in their duties towards the citizens so far as health is concerned. If the measures they prosecute for the safety of their citizens do not go a very long way in alleviating danger and misery, the blame lies elsewhere. Most, if not all, preventive measures in this category are mainly police functions,—measures of Watch and Ward,—which, as already indicated, are removed from the competence of municipal authorities in India. This factor suffices to diminish the interest, from the

State vs. City  
control of Police.

\* S. 386 of the Calcutta Act runs on similar lines.

† S. 308 of the Bombay Municipal Act.



point of view of functions. Nevertheless we may discuss here, briefly, the general question as to which is the fitter authority for the control of the police,—the State or the City. It may at once be conceded that there are several reasons or considerations which make for a central or state control of a community's police organisations, and which are all but unanswerable. The police, in the first place, have to enforce state laws, particularly the penal code, which is common to all cities and districts in a community. The detection, prosecution, and punishment of crime for guaranteeing the general safety of person and property is a function of equal interest to rural as well as municipal communities. The ramifications and complexity of modern crime, and the facilities of evading detection or punishment, also make an argument for the centralised control of the Police Force. Besides, there are some special laws,—*e.g.* control or prohibition of intoxicating liquors—which are to be enforced in the general interests of the whole community, and it would not do to allow the particular interest of any city hostile to the Prohibitionist regime to frustrate the general policy. Finally, the maintenance of Law and Order,—the demands due to which are still considered to be the principal functions of the central government—and the consequent necessity of enforcing a certain degree of common discipline and co-ordinated habits of action in the main pillar for the maintenance of law and order,—the Police Force,—also require that the control of the Police must be in the hands of the central or State government.

Arguments for  
City control of  
Police.

But when we have made these concessions, we have said all that need be said—or can be said—in favour of the central control of the Police Force. With all the dangers of possible corruption of Municipal authorities, in spite of all the considerations arising out of the enforcement of the Penal Code in every community, the case for a municipal control of the local police seems to us to be irresistible. Without denying in the least that there are duties and functions of the Police Force which are rather national than municipal, we must point out, however, that taken collectively, the great bulk of the police work is really of a local character. Even crime is largely, if not wholly, local; and the principal police duty of watch and ward is necessarily local. The vast amount of duties comprised in the licensing department for dangerous or objectionable trades and places; the very onerous work of traffic control and its regulation; the supervision or surveillance over haunts of ill repute and questionable characters, must all needs be regarded as municipal or local duties. It all depends upon how we look upon the real aim and object of police work. If our predilection is in favour of considering the police to be the prop of the established order of things, we shall pronounce in favour of state control of that organisation. On the other hand, if we lean towards a desire to frame and use all social and political institutions so as to promote the liberty of the individual and at the same time to secure the maximum good of society at large, we should be inclined to decide in favour of municipal control. We need not adduce the argument of finance, since though a centralised police

force is paid, no doubt, in part at least, from the taxation of the municipal public, the municipalities perhaps derive a benefit from the police activities of a state controlled police force, greater than the amount actually paid by the municipalities towards the upkeep of the police. But that consideration also makes an argument that if the burden and benefit of a public service are to be rigorously localised, it would be advisable to leave the control of the police in the hands of the Municipal authorities, subject, if need be, to certain safeguards laid down by the State.

However, we do not imply that a compromise cannot be made between the conflicting claims of the Municipality and of the State in regard to the control over the Police Force. And, it must be added, neither opinion nor general practice is by any means unanimous in this matter. In America, four out of the seven largest municipalities (New York, Chicago, Philadelphia and Cleveland) control their own police force, while St. Louis, Boston, and Baltimore continue subject to state supervision. London apart, the provincial cities of England have been given by law a uniform plan of police organisation, which is a happy compromise between state control and municipal control. The police there is primarily a municipal department supervised by a standing statutory committee, called the Watch Committee. But there are also national inspections of the Constabulary, on whose report as to efficiency, the central Government makes to the local bodies certain grants-in-aid. The inspection is not very rigid, and the national subvention is never denied.\* But the plan gives an excellent illustration of how state or national supervision can be combined with municipal control in the interests of securing local autonomy or Municipal Home Rule.

\* Conflicting  
Opinions.

## VII.—Municipal Courts of Law.

With regard to that other branch of Police organisation,—viz. the institution of local courts of law,—though the administration of justice is considered to be a prerogative of the State in British Empire countries, powers of a judicial nature on a minor scale are not unknown in Municipal constitutions. In the United States, cities have a larger scope in this regard, and the most important and noteworthy tribunal there is the **Juvenile Court**. The object of these courts is to separate the child offender from the confirmed, habitual adult criminal, and so to guard against criminal propensities taking root in the child's mind. When a child is convicted of an offence, sentence is usually suspended; and the offending child is handed over to an officer specially appointed by the city to look after this class of offenders. In France, the Mayor acts in a semi-judicial capacity in connection with those personal relations, which are brought about by marriage and divorce.

Juvenile  
Courts.

\* The central grant in 1910-11 amounted to £ 2,254,726 out of the total gross expenditure on Police of £ 6,747,373.

In India, the theory of a complete monopoly of the administration of justice in the central Government is too clearly established and accepted to be questioned. Calcutta, however, has, under S. 530 *et seq* of the latest Municipal Act, a number of Municipal Magistrates, appointed by the Local Government but paid out of contributions made by the Corporation, who are authorised to try all cases of offence against the Municipal Act and of byelaws thereunder. Civic tribunals, however, need to have a far more extensive scope to be really useful.

### VIII.—Remedial Measures.

#### Precautions and Remedies for Fire.

The last thing that remains to be noticed is the provisions regarding protection against fire, which we might be permitted to class as a remedial measure, though strictly speaking putting out a fire when it has broken out is not quite satisfactorily remedial. All large cities are, of course, always exposed to the danger of fire from negligence, from accident, or even from calculated malice.\* Since Rome was burnt under Nero, or Pompeii destroyed by an "Act of God" or London ravaged under Charles II, cities have learnt to look upon fire as a very common danger; and in modern times, what with the multiplication of combustible articles in daily use, or with the increase of accidental occasions for fire—wire-fusing, or gas escape, or petrol leakage—that danger is so particularly great, that almost every municipal code provides special regulations by way of precautions against fire. Besides fire-escapes and street-pumps, there is in every important municipality a more or less efficient fire-brigade whose task it is to cope with and extinguish a fire that may have broken out. There are also provisions, in the building regulations, as regards the kind and number of stair-cases that must be provided in the huge tenement houses which are becoming quite a feature of modern industrial towns. The success with which all these provisions and equipment operate in practice is the index of the efficiency in administration attained to by modern cities.

#### Municipal Insurance.

A really efficient remedial measure, however, would be a measure of Insurance, which a city can effect much more economically on a municipal scale than private individual proprietors. We have discussed this matter in another section of this work, though we may mention here that precedents are not lacking for this kind of business. Hamburg in Germany insures all property against fire, insurance being compulsory, and premiums are paid along with the local taxes. As the city maintains a good fire department, and is responsible for the protection of all property, the city fathers there do not see any reason why the city should not have the benefit of its own expenditure, and at the same time eliminate the awful

\* Ancient Rome had a Municipal Fire Brigade even before the days of Augustus *op. Fairlie, Municipal Administration*, p. 12.

waste of technicalities of legal procedure, which an insurance company often indulges in to wear out a weak and helpless client.\*

The principal Presidency Municipalities have, of late years, begun doing the insurance of their own municipal properties, by means of instituting a special Fund, created by means of payments made on the basis of premium contributions

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\* Says the Bombay Municipal Administration Report for 1923-24.

"The number of calls to fire.....during the year totalled 614, resulting in 293 fires, 1 chimney fire, 176 false alarms, and 7 calls to fallen buildings ..... Estimated fire loss has amounted to Rs. 35,72,921 representing Rs. 33,93,328 insured and Rs. 1,79,593 uninsured. Total property at risk has been estimated at ..... Rs. 5.69.19.225."

## CHAPTER VII.

### PUBLIC CONVENIENCE PROVIDING CIVIC AMENITIES.

#### I.—Amenities in the Home.

Contributions  
of Municipalities  
to the amenities  
of the Home.

The share of the municipality in making the home of the ordinary citizen beautiful and comfortable is often lost sight of, being expressed or embodied in those trivial details by the thousand which are too small to notice, but which collectively make life at all tolerable. We have already spoken of the provision by the municipality of water and drainage facilities in every home, as an indispensable and an irreducible minimum for securing a reasonable degree of public healthfulness. We have also referred to the provision of good, cheap, brilliant lighting, that could easily be extended from the streets and public places to the homes of the citizens. These have been spoken of primarily from a view-point other than that of convenience; but it cannot be denied that all these facilities make the greatest possible contribution to the amenities of the modern citizen's home, and make it attractive in comparison with the humdrum life in the country.

Marketing  
facilities.

But besides providing lights and drains and water, the energetic municipality makes a number of other contributions to the amenities of the citizen's home. Without speaking of the latest developments in broad-casting, which might bring to the citizen in his home the richest music or the most varied; without mentioning even the now common-place telephone, whose convenience in health as well as sickness, whose aid in business as well as pleasure, needs to be experienced in order to be appreciated, we might yet mention the municipal enterprise in supplying marketing facilities for the daily requirements of life.

"The Hausfrau in Germany receives her fresh vegetables, her poultry, butter and flowers, *along with her mail* in the early morning delivery. They come fresh to her table from the country, and have been posted a few hours earlier, possibly a hundred miles away in a country village. Farmers come to the country three or four times a year to solicit customers. A postal card changes the standing order. All Germany offers as a market for the cities without the intervention of warehousemen, wholesale or retail dealers, or cold storage plants."\*

In India.

Though the Indian municipalities, even the largest of them, have not yet arrived at a stage wherein the parcels delivery service could be so regular, efficient, prompt, and expeditious as well as cheap; and though the country

\* cf. Howe: *European Cities at Work*, p. 117.





THE CHAMPS ELYSEES, PARIS, FROM THE ARC DE L'ETOILE.

at large is not yet organised or literate enough to permit of all the marketing for the home being done by a post card\*. there are municipal markets in all the principal cities of India. The Municipality, however, seems to consider its duty done when it has provided a market-place, covered or open, set up stalls therein, and charged its fees for the use of those stalls. Thus Calcutta had in 1921-2 four municipal markets, from the stall-fees and shop-rents of which it derived a revenue for the municipality of Rs. 9,02,891. The remodelling of some of the shopblocks in the principal market was estimated to yield an increase in rent of Rs. 4,70,000. As population increases and spreads out, it becomes important to provide more and more markets; and Calcutta is building additional markets to supply the needs of its growing population. Bombay has 13 Municipal markets with 2599 stalls, giving a total income Rs. 3,30,864 in 1923-24, which, with the slaughterhouse receipts, made an aggregate revenue of Rs. 11,32,392 for the year. Rangoon derived a revenue in 1922-23 of Rs. 3,37,137 from its Municipal markets, while Madras is content with one large Municipal market, yielding in 1922-23 a revenue of Rs. 41,594, and 42 private markets in the city from which a license fee was derived of Rs. 7,150.

But in all these cases the municipality merely provides the market-place and buildings, with stalls and shops, for which rents are charged. There is neither imagination nor enterprise enough to suggest the starting, directly under the municipal agency, of the actual business of buying and selling. We shall point out a little later on how, by developing or expanding facilities already within reach of the municipality, regular marketing could be developed directly by the Municipality to the immense advantage of the citizens, and to the no small benefit of the municipal exchequer itself.

Need of municipalizing markets.

## II.—Amenities in the Street.

If the citizen's home necessarily demands a great deal of the municipality's attention, the provision of amenities, which make life pleasant, in other places also cannot be ignored. The habits and customs of the people have no doubt a great deal to say in actuating the municipal authority to provide such amenities; but it is no doubt a good economic truism viz. that supply creates demand, which might very well be applied here. Thus, for example, in continental European Countries—as distinguished from Britain,—people are

Layout of streets in European and Indian cities.

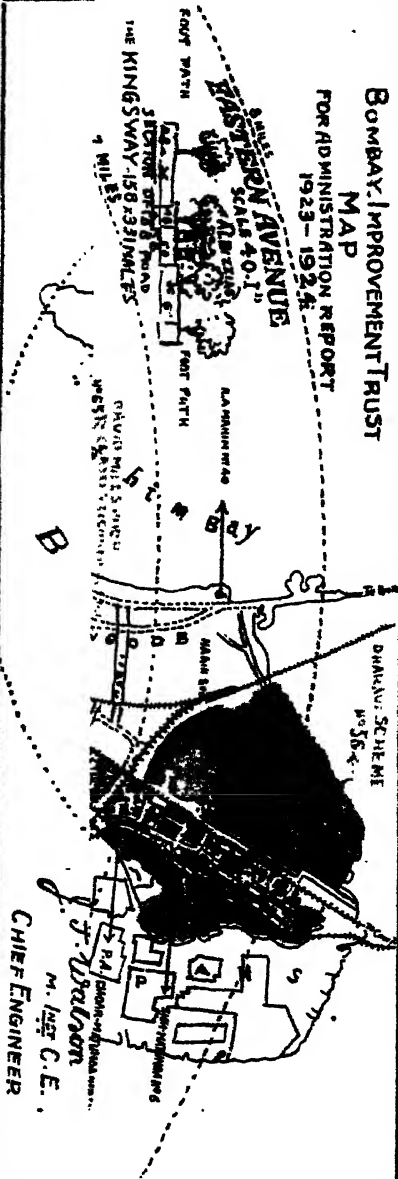
\* The great departmental stores of London, or Paris, or New York, though private individualist enterprises, have simplified buying so extremely, that the word "trouble" can scarcely ever be associated with dealings with such mammoth shops. But what the Whiteleys and Wanda-makers, the Harrods and Galeries Lafayette could do, the Army & Navy Co-operative Stores also can do; and so too can a Municipal Store, if only there is enough enterprise in those who rule a municipality. The central Municipal Market in Calcutta,—the Hogg Market,—no doubt offers to the householder the convenience of a large departmental store in a European city. But the fact being that the shop or stall-keepers in this market are all private, profit-seeking, individualist traders, without any uniform plan or purpose, their convenience is necessarily shorn of that advantage in economy which is such a distinguishing feature of the European Stores.



accustomed to sit of evenings on the street side-walks, with their whole family, in the cafes which abut on the main streets. The Indian municipalities, too, might so plan and lay out the streets as to admit of such wide side-walks that would accommodate the citizens and their families as they sit in these cafes sipping their coffee, or beer, and, merely watching Life. They must even venture out into providing such cafes of their own, if a private cafetier is either not available, or is asking an exorbitant price for rendering this service to the community. Similarly, on Sundays, the continental citizens seem to be all abroad. Every nook and corner in the adjoining garden park or forest has its complement of gay, light-hearted, friends or lovers, children or sedate folk in quieter enjoyment of life. The buses and tram cars and river boats are chokeful with the maddest, gayest, pleasantest crowds imaginable. By contrast, one cannot wonder at the continental reputation of the English as a people who take even their pleasures sadly. The Municipal authority in these continental countries provides facilities to enable the citizens to work off their animal spirits, and be fresh and vigorous for the next week's work. Hence we find the most meticulous care devoted to the planning and lay-out of the streets and public places, as well as to the equipment and adornment of such places, so as not to offend in any way against the æsthetic sensibility of the citizens, whose taste and refinement are distinctly of a higher order than of the corresponding class in England or Scotland. The shading of roads by trees, and the addition of park-ways alongside the main streets, is a feature common to the East and the West. But the way they handle it makes all the difference between scientific planning and *ad hoc* structure. Similarly, the ornamentation of streets with fountains, statues, gardens, trees, side-walks, lamp-posts is a consideration in street-planning, which, though more easily accessible to richer communities, will only indicate unforgivable slovenliness if ignored. For it is not so much by heavy ornamentation or costly accessories that excellent effects can be obtained, as by a proper, careful attention to the topography of the place, with an eye to the possibility of every curve in the line, and every gradient in the surface, of the street. Due regard must also be paid to the harmony of the architecture fronting the street, and to the forming of vistas or pictures which seem most natural when they are the creations of the subtlest art. It is difficult to beat the vista in Paris from the Pont Neuf or from the Place de la Concorde. The magnificent pile of the Louvre at one end, and the Arc de Triomphe at the other end of the broadest and most beautiful street in the world: the Church of the Madeleine,—with its exquisite front of classic pillars just exactly fitting in the Rue Royale as a picture in its frame—and the Dome of the Invalides on the left—all combine to form one of the most beautiful pictures. And though the accessories of this noble highway may have been costly, the actual cost in securing the natural beauty that the vistas of the Louvre and the Etoile, the Madeleine and the Invalides, afford cannot have been very great,

Considerations  
in street plan-  
ing (a) beauty  
of lay-out.

# BOMBAY IMPROVEMENT TRUST MAP FOR ADMINISTRATION REPORT 1923-1924





Let us consider a little more fully the layout of city streets from the point of view of public convenience. The first consideration that a civic engineer told off to lay out the main arteries of communications in the city will have to bear in mind will be the need to bring about the shortest possible distance between one main point and another. The streets must make a "bee-line," and in doing so, need not avoid the natural alignment of the area through which a street has to be taken. For it is now realised that the requirement of landscape beauty in street planning is really fulfilled not merely by square streets running in straight lines and cutting each other at right-angles; but that the natural curves contribute at least in equal degree to the agreeableness of city vistas. In the long straight street, the unrelieved monotony of the road would make the wayfarer anxious for one thing only;—arriving at his goal in the quickest possible time. In winding highways there is always the charm of the unseen,—an indefinable sense of adventure lurking behind every turn and corner, that never really vanishes even after a life-long familiarity with the street. The Grand Canal at Venice, or the Regent's Street of London, or the Ring Strasse of Vienna might be mentioned among the most famous examples of beautifully curving streets,\* that for ever embody the infinite charm of undying variety, and may be contrasted in their own way with the magnificent avenue of the Champs Elysee of Paris, or the Unter den Linden of Berlin, or the Fifth Avenue of New York.† The only streets of this kind in India that one could mention in the same breath with these great highways of Europe and America may be the Eastern Avenue of Bombay, with some 8 miles of linear road length and 160 ft. of maximum width; or the Harrison Road of Calcutta with about 70 ft. of breadth; or the Beach at Madras, though the last is not strictly speaking a road, but a long stretch of promenade finding its beauty in the contrast of gleaming sand and the dark foaming waves of the open sea.‡ The promenade at Worli in Bombay—the New Marina,—and the other on the reclaimed area of the Back

Considerations  
in street plan-  
ning (a) beauty  
of lay-out.

\* "It may be interesting to note here the width of the principal streets in some of the capital cities of the world.

1	Avenue des Champs Elysee	..	..	230-260 in feet.
2	Unter Den Linden (Berlin)	..	..	190 "
3	Ring Strasse (Vienna)	..	..	185 "
4	Reeper Bahn (Hamburg)	..	..	210 "
5	Andrassi Str. (Buda Pesth)	..	..	160 "
6	Whitehall (London)	..	..	145 "
7	Victoria Embankment	..	..	120 "
8	Holborn Viaduct	..	..	90 "
9	Regent Street	..	..	85 "
10	Piccadilly	..	..	75 "

The scale of street widths recommended by the London Traffic Commission is:—

	Main Avenues	..	..	140 feet.
1st	cl. arterial streets	..	..	100 "
2nd	" " "	..	..	80 "
3rd	" " "	..	..	60 "
4th	" " "	..	..	40-50 "

† The short Churchgate Street in Bombay, or the long broad Eastern Avenue of 8 miles, may be cited as good examples of straight streets with right angular junctions, which give happy effect in beautiful vistas.

‡ See the Map attached.

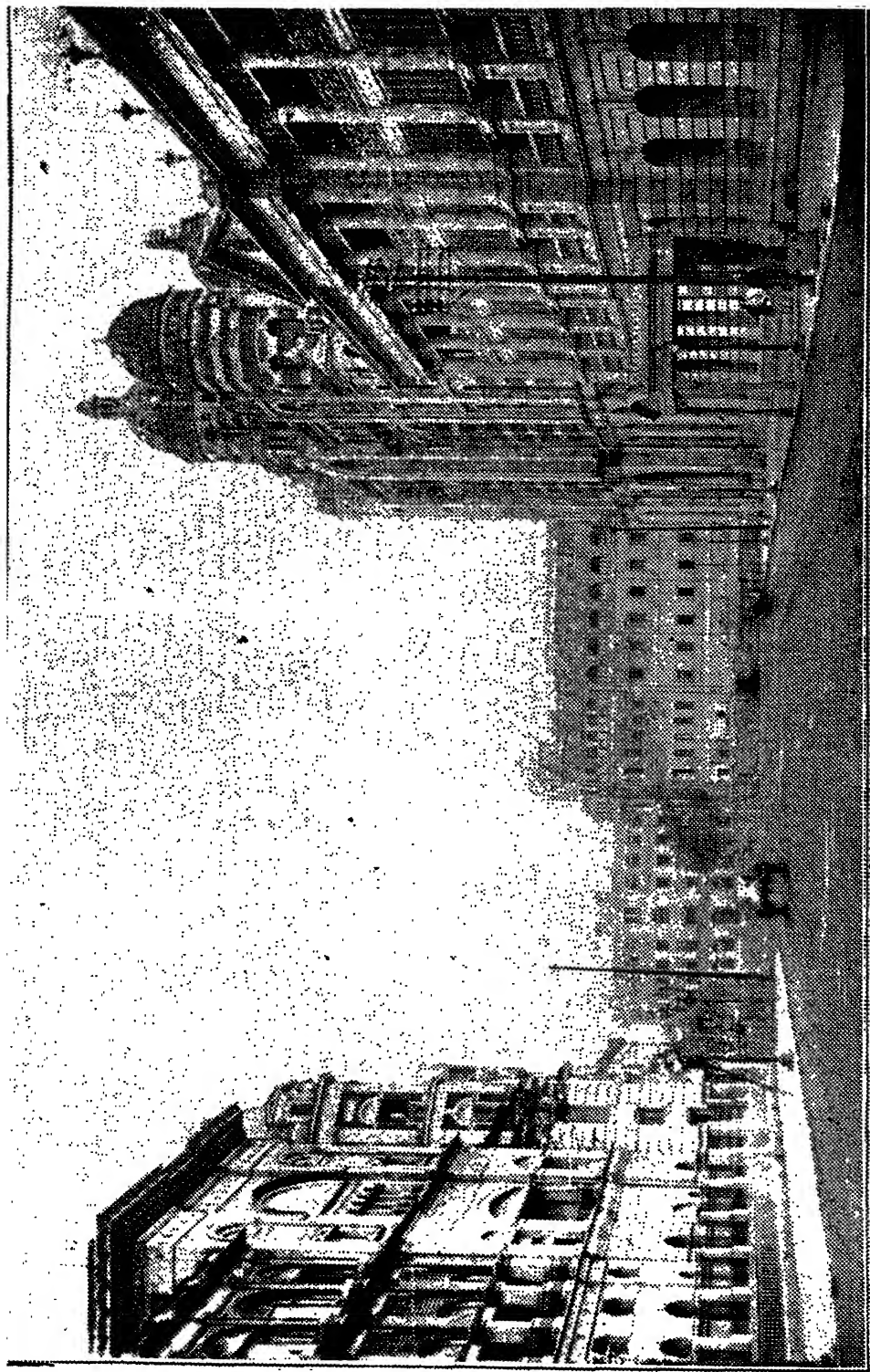
Bay, when ready, would be formidable rivals of the Madras prototypes in beauty of contrast between the sea and land, between the art of man and the grandeur of nature.

**gradient.** Another equally important consideration of convenience in street-planning is that of gradient. That is largely a matter of the natural endowment of the city, though the work of man can help a great deal in obviating the ordinary obstacles to regular, simple, easy, gradient. The gradient has to be viewed from two distinct points of view:—that of traffic and drainage on the one hand, which requires easy and regular rise or fall from a given point; and that of aesthetics. The latter would demand rather sharp variations in gradient: but the real charm of street gradient would be found only in the proper placing of buildings to fit beautifully in the frame-work of the street lay-out as it were. "The best form of street levelling is the concave, or that which passes from the horizontal to a greater rise; when the "head" of the street rises, it imparts a more stately appearance, and the perspective effect is finer. Magnificent examples of such streets are to be seen in the Avenue des Champs Elysees, Paris; or the Via Nazionale in Rome. The former is a striking example of masterly town-planning. The summit of the Champs Elysee is crowned by the Arc de Triomphe which forms the focal point of a splendid system of radiating avenues. The vista from the Place de la Concorde, when lit up by hundreds of electric arc lamps in the "evening is unrivalled by any roadway in Europe."\* In Germany the gradient in public streets is limited to 1 in 50, while in all big second-class streets a gradient of 1 in 40 is recommended. In France, they insist on a gradient of 1 in 33 in the Rues Royales or main highways, and 1 in 20 for streets adjoining the main highways. But, as already observed, this is a matter largely of natural or initial endowment. The consideration of convenience in traffic movement need not be sacrificed to the demands of beauty, in all those cities which are on a relatively flat surface like the capital cities of India, if there are natural advantages like a winding curve of a mighty river, or a sweeping wave of the heaving ocean. Indian cities, however, seem yet but novices in the art of street-planning which would combine beauty with convenience, economy with magnificence. The magnificent sea-front of Bombay on either side seems all but wasted from the point of view of catering for the citizen's pleasure or enjoyment, though of course the merely commercial purpose is duly attended to. There is only one Yacht Club in Bombay, whose unique distinction is that all natives of the city or Indians are rigorously excluded from membership thereof. There are extremely few sea-bathing and swimming establishments, and none of them of Municipal institution.† Until the Development and Reclamation projects are

\* Town planning by Inigo Triggs, p. 221.

† This is another instance in which modern India seems to have broken with the excellent traditions of ancient and medieval India. While Public baths in Municipalities like Bombay are either unknown or insignificant, those of the Mughal Delhi were amongst the wonder of that wonderful era.





CLIVE STREET OF TO-DAY.



The Promenade at Worli, Bombay.





completed, there can scarcely be said to be even a tolerable promenade on the sea-front. The new projected ones are not yet in use, and most of the old ones have been fouled and dirtied far too much to be a source of pleasant recreation to a highly sensitive citizen. Madras, as already noted, has a naturally beautiful beach; but art could have done a great deal more, perhaps, to embellish it. The river at Calcutta is one mass of soot and smoke and grime; while the beauties of the Jumna at Delhi have as completely vanished as the glories of the great Mughals. Allahabad, Benares, Poona, or Rangoon have river fronts of sorts; but to those of us who are acquainted with the riverain beauties of the Rhine and the Arno, as utilised by the cities on their banks, and even of the Grand Canal of Venice, the efforts of Indian cities only serve to remind us of what an immense ~~lee-way~~ <sup>leeway</sup> we have to make up in the projects of civic beauty and convenience.\*

From the point of view of traffic convenience as well as civic adornment the width of the streets is yet another problem in the planning of the thoroughfares. Without a knowledge of the volume of traffic that has to be carried,—with adequate allowance for its possible expansion—it would be useless to set about planning streets. We have already adverted to the regulations in different cities as to the requirements of street widths. Besides the volume of traffic, the street engineer must also consider the height of buildings in determining the width of the streets. As in the case of lighting the streets, so in this connection, the streets will have to be classified before their widths are settled. We have already mentioned the standards laid down for London—perhaps the biggest city in the world—by the London Traffic Commission, as well as the classification of streets proposed by that body; and have likewise adverted to the corresponding standards exacted or aimed at in France, Germany, and the other European countries. We may add, however, that, for the sake of greater convenience and safety of all classes of traffic on these streets, it has, of late, become quite common, in the big thoroughfares of the principal cities, to divide each street into several parts, reserving each section to a particular class of traffic only. Thus, in the principal thoroughfares of the world, the following divisions have been made:—

Name of Street.	Total width in feet.	Side walk width.	Vehicular traffic width in ft.	Tramway lines in ft.	Promenade.	Garden.
1. Champs Elysee ..	260'	15' × 2	111' (centre)	Nil.	58.6' × 2	....
2. Unter den Linden	193'	26' × 20	42' × 32'	37.6 ....	11.3 × 2	13.0
			(carriage drive)			

\* We have utterly ignored the consideration of military strategy in the planning of streets as being wholly outside the range of Municipal functions, though the most celebrated example of street and town-planning—Paris under Napoleon III by Haussman—is said to have been influenced, as much at least by military considerations of easy movements of troops in an insurgent city (Paris was famous for leading revolutions) or for sweeping the street by artillery stationed at convenient centres, as by considerations of traffic convenience and of civic splendour.

Name of Street.	Total width in feet.	Side walk width.	Vehicular traffic width in ft.	Tramway lines width in ft.	Promenade.	Garden.
3. Ring Strasse .. (Vienna)	188.6	19.6×2	21.0×2	49.0 main- roadway)		29.3×2
4. Bismark strasse .. (Charlottenburg)	159.0	20.6	21.0	35.6 18' plus. 7.2 ft. curb.	21.0 (Riding)	18.0×2
5. Stubel Allee .. (Dresden)	138.6	10.0×2	29.0	2.2 (with tram line on either side of garden	14.6×2	31'.6 (centre).*

### III.—Street Planning in India.

In India, the Municipalities have no lack of traffic in the main thoroughfares; but they have yet to realise the beauties of such special attention to their citizens' convenience. Cities like Bombay have no doubt begun in this direction. The main Eastern Avenue in that city has, as shown on the Map p. 269 ante, in parts of it, certain reserved portions of its width for fast traffic, and other portion for slow traffic, with yet another margin for a double track of tram lines. On either side are relatively broad and stone-flagged foot-paths; while in the centre runs a pedestrian road-way slightly raised above the surface of the road, which could be used indifferently as promenade or as shelter for the vagrant citizens. Foot-paths are being provided on all the principal roads of the city; but they are intended rather as a measure of safety than as a matter of convenience. The planting of trees on the roadside to afford some sort of shelter against the blazing tropical sun is a time-honoured function of the authority concerned with the highways in India, and is distinctly a measure of public convenience which the Municipalities are just beginning to discharge rather energetically.

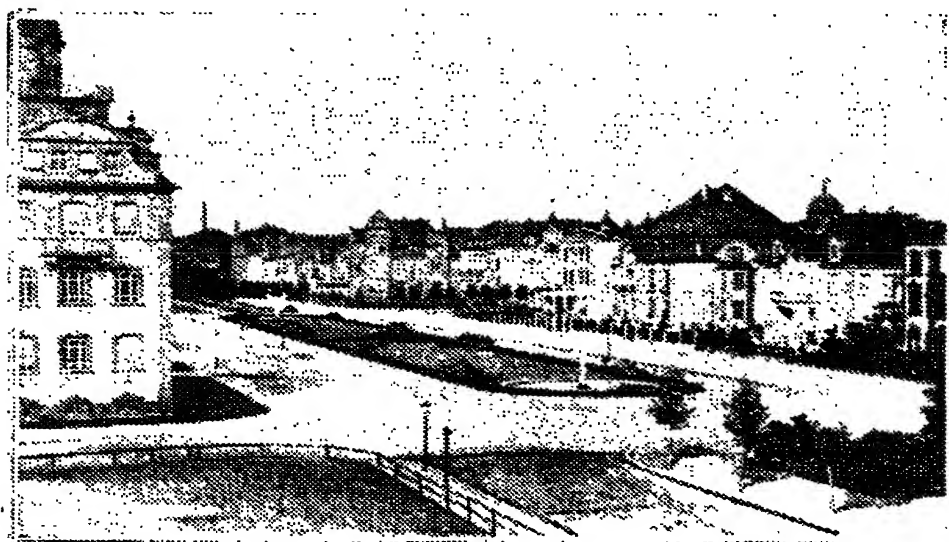
#### Duty Streets.

As for the regular, rigorous cleansing of the streets, modern India seems to have a great deal to learn from the old India of the Mughals, or from modern Europe as well. Specific sections in the main constituent acts provide for this duty of the Municipality; but whether it is the rigour of the elements,—rain and sun and frost—or the uncleanly habits of the people; or the indifference of the Municipal authority; or the inefficiency of their staff; the streets in the hearts of the city in even the foremost Municipalities can scarcely be cited as models of cleanliness. The streets are watered, indeed, twice a day, except when the rain makes it unnecessary to perform this function; but the watering seems more often than not to make the streets muddier and slushier than before. Even the activities in connection with the prevention of the dust nuisance in the streets,—

\* "In Wiesbaden, the Adolfs Allee has a side walk of 5.9 on either side, next to which is a section of 14.6 on either side for vehicular traffic. There is next a riding course of 21.0 on one side and a promenade for pedestrians on the other of an equal width. In the centre is the main road way of 35 ft., half of which is reserved for a double track of tram-ways and the other half for fast vehicular traffic. The Rhein Strasse in the same city (120 ft. wide) has a similar arrangement, with fast vehicles on one side and slow ones on the other.



**Spacious Street Construction, Charlottenburg.**  
 (From Howe European Cities at work.)



**TYPE OF STREET CONSTRUCTION, FRANKFORT ON-THE-MAIN.**  
 Showing broad parking with ornamental fountains and new style of  
 residential architecture.



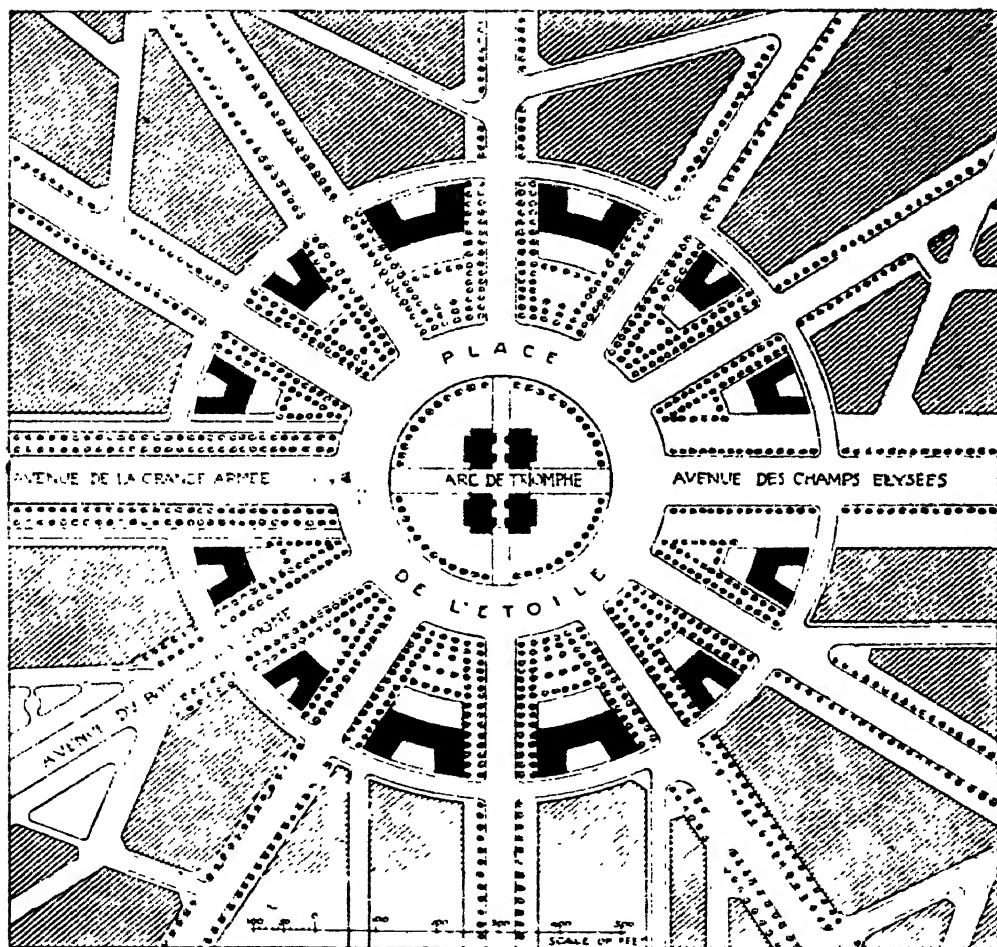


Fig. 119.—Place De L'Etoile, Paris.  
[Inigo Triggs: Town Planning]



tarring and dammering, or special methods of paving—do not seem to succeed entirely; as the dust nuisance in even the most fashionable quarters of the cities is anything but extinct.

One more consideration in the convenience of street planning, and we shall have done with this subject. The layout of the streets cannot ignore the question of ventilation and fumigation—if we may use the expression,—of the streets, since it is from the streets that the houses situated alongside of them draw their ventilation. A street running arterially east and west will probably secure more sunlight and warmth than a street running south and north; and will in the Northern Hemisphere, generally speaking, be less exposed to violent winds sweeping through and tearing up the surface. The actual amount of sunlight and warmth obtainable on the streets will depend primarily on the latitude of the place, and secondarily on the width of the street or the height of the buildings alongside of it. Similarly, the force of the wind sweeping through the streets will depend primarily on the prevailing winds of the region; but secondarily also upon the width of the streets and the character of their alignment. In prescribing the plans of the buildings along the streets, again, the convenience of the citizens can also be studied e.g. by insisting upon a continuous arc as a uniform feature in all buildings along a given street, particularly one exposed to the force of the rain, so as to shelter the pedestrians from the inclemency of the weather.\*

The institution of spacious squares or circles at the principal street-crossings may also be considered as a measure of convenience, since not only does it permit of the traffic being properly regulated, but it affords a certain measure of comfort to the traffic conductors themselves by allowing of such necessary breaks. They also serve for convenience if the square or the open space is utilized for providing a small but handy ground, properly enclosed, for the children from the houses along the square. The ornamentation of streets, by such additions as fountains at convenient corners, may also serve a utilitarian aim for the thirsty citizen; while even works of pure ornamentation as statues may at a pinch be found to have a utilitarian aspect. Such squares or crossings in Indian cities give an air of hap-hazard existence rather than of careful planning, which seems evident even now in the famous and historic *Chandni Chowk* (The Moonlight square) of Delhi.

Confining ourselves for the moment only to amenities in the public streets, we may mention, as one more measure of public convenience, the municipal duty of naming the street and numbering the houses along each street. The Municipalities in India are specifically empowered by their constituent acts to discharge

\* "A later-day Town-planning expert has even suggested that buildings in the shopping centre of the town must be uniformly so constructed as to make the first floor jut out the width of the foot-path and beyond the ground-floor so that the passers-by or would be shoppers could look at the goods displayed in the shop-windows at their ease and convenience and be at the same time sheltered from the weather."



this function; and though the numbering of houses is not yet all that it well might be even in the principal Presidency Municipalities, the naming of streets is pretty nearly perfect. There are, however, two points of interest well worth remarking upon in this connection. The object of giving names or identity marks to the arteries of communication in the city is to facilitate inhabitants finding their way from place to place within the city. In this business of assigning identity marks, there are two main methods commonly adopted: One is the ancient traditional method of naming the streets after some prominent citizen or official; or from some prominent characteristic—*e.g.* Hill Roads, and Wood Streets, and River Lanes—or for some historical association *e.g.* Cheapside, or Lombard Street, &c. This is interesting and in a manner instructive also; but it is likely to be confusing; for how many King Streets, and Broad Streets and Church streets are there not in London alone? On the other hand, the more modern, scientific, American method of naming the streets, by simple numerals consecutively—*e.g.* the 5th Avenue of New York or 47th street,—simplifies the task of the naming authority and of the searching individual, if once the focal point is settled. This is *draff*, unimaginative, without a grain of sentiment or a glimpse of history; but it is unquestionably utilitarian and convenient. We may also note in passing the question of putting up street names at corners. These name plates, to be really useful, must be expressed in more than one language in all the polyglot centres which make up modern towns. And to facilitate names being read at nights, the interior illumination of the letters by electric light is an innovation which will very soon have to be universalised for the undeniable convenience the device offers.

Necessity of  
a "Guide" to  
points of inter-  
est in the city.

The other point of a like nature, in which Indian cities seem to be hopelessly backward, is in regard to the provision of an easy guide to the points of interest in the city and its environments. While Bedaeckers and Cooks and Touring Agencies of all sorts vie with one another in Europe and America for providing the most interesting guide for the sight-seer, the municipalities are in no way backward in doing their bit in the same line. The picture post-card is not merely a craze; it is often epitomised history or crystallised geography. In India, a few more or less Europeanised centres may have such accessories for realising the glories of the town; but even in their case the addition is very, very elementary; and, in any event, the municipality as such has very little share in providing it. The map of the city, convenient and handy, is also conspicuous by its absence in Indian cities, while in European towns, every bus and every tram-car displays the outlines of the plan of the city beyond the possibility of mistake. The sign-boards and name-plates of streets are placed so as to make the search after a particular place the easiest task conceivable; and the efforts made to counteract such special handicaps of a place—as the London fog for example—by means of inserting bright electric lights between the board and the name, making the letters stand out in bold relief on the darkest night—speak volumes for the solicitude

of those countries as regards the convenience of their citizens. In Indian cities, however, they seem to specialise in the art of so putting up street names as to render way-finding a real veritable mystery ; and as the Indian policeman never has been trained to be of any the slightest help to the wayfarers,—as his airs are insufferable and his knowledge of the local geography insignificant,—the search for a given place in an Indian city becomes a veritable mystery.

#### IV.—Civic Amenities for Distraction or Instruction.

We have referred in a previous chapter to the role of the Municipality in promoting the distraction of the citizens and their instruction, through public theatres, concert-halls and the like ; and we shall have to speak more, later on, of the part played by such authorities in the systematic education of the citizens. Here we might note the provision of those other amenities, which, though designed originally for a set purpose of public instruction or amusement, are also utilised for public convenience. Thus, for example, handsome, commodious halls, for purposes of public or civic gatherings of all sorts, would serve a great purpose of public convenience ; but in India, the ordinary Town Hall in a city is hardly spacious enough or beautiful enough to serve such a purpose.\* In Bombay, the pressure of financial reasons, or the lack of public buildings of this description, makes the Provincial Government hold its Legislative Councils Session in the Town Hall at present, thus depriving the Municipal Office of its benefit for the greater portion of two months in the height of the season, even supposing the Municipality had an admitted claim to this Hall. Similarly, the Hall is used for the Annual Exhibitions of the Bombay Art Society,—a worthy object in itself, and of direct benefit to the civic public ; but nevertheless, it cannot but be observed that the Municipal authority, *qua* such authority, has very little to say in the matter. Though Bombay does not possess anything like an Albert Hall of London ; and though no Indian city really has anything comparable to the **Rathaus** or the **Hotel de Ville** in European cities, there are, of course, a number of halls available for public gatherings. But those are the gifts of charitable citizens or large educational institutions, in which the Municipality has as such no share.

Public Halls.

If halls for public gatherings of citizens are not provided adequately by the Municipality, those for dancing or skating or other forms of amusements and recreation of the citizen would of course be necessarily deficient. In cities like Bombay or Calcutta, there may be dancing-halls or skating rinks ; but these are the creations of private enterprise, and not the result of municipal activities. We might mention in this connection the institution of **Fairs and Exhibitions**, as

Dancing Halls  
and Skating  
Rinks.

\* Besides, the Town Hall is not wholly, or even clearly within the jurisdiction of the Municipal authority. Whenever large gatherings are to be held, and the Town Hall required for the purpose, a Requisition has to be addressed to the Sheriff who has no place in the municipal organisation. For the Sheriff is primarily an officer of justice, which is practically a monopoly of the Government in India.

another branch of municipal activities in which Indian Municipalities are notably backward. In the leading cities of India,—in fact, in all Indian cities,—there are a number of fairs connected usually with some religious observations of one or the other community. Citizens and pilgrims from other parts take an equal share in those periodical exhibitions; and Allahabad, Ajmere, Amritsar, Benares, Delhi, Lahore, Nasik, are among the most famous examples of the great cities of India, being also centres of pilgrimages, and of fairs in consequence. But, like the Public Halls, these Fairs and Exhibitions are managed by the community or society primarily interested in it, the role of the Municipality being confined to seeing that the health of the city does not suffer owing to these huge concourses of people assembling there. Attention to water supply and drainage facilities, and at most to lighting, is about the sum total of the Indian Municipalities' contribution to the success and popularity of the fairs. As municipalities, they have yet to realise the possibilities of such occasions for promoting the industrial and commercial possibilities of their city and its people.

## CHAPTER VIII

### PUBLIC CONVENIENCE.—(Contd.)

#### AMENITIES OF COMMUNICATIONS.

##### I.—Transport Facilities.

The mere distance between one place and another in the same city,—between the home and the place of business, makes it necessary that the citizens should have means of easy communication between these several parts of the city. And as the city expands, as it absorbs suburb after suburb and pushes out its limits further and further, the need for rapid transport of large numbers of citizens every day, in a cheap and efficient manner, becomes intensified. The distance between the extreme points of Greater London is over 35 miles; and thousands of people come every day to London for business from distances double of this extreme within the limits of Greater London. The distance between extreme points in Municipal limits in Bombay, is 11 miles, and people regularly come for business to that city from places 20 and even 35 miles away. It is absurd to expect that each individual, daily obliged to traverse such a distance, should have his own conveyance, in view particularly of the class of people who are obliged by the city authorities, in the interests of public health, to leave these congested places within the city and migrate to healthier suburbs. The advent of the mechanical forms of transport—with their greater speed and greater capacity to convey larger numbers, as well as the cheaper cost of working,—makes it possible for modern cities to plan and execute large schemes of civic expansion, which would have been impossible a hundred years ago, and unthinkable as practical propositions even a generation ago. The total of street-car passengers in Berlin amounts to 156,000,000 a year,\* but these figures are dwarfed into utter insignificance when we think of New York, where in 1913, the City surface subway and elevated systems carried no less than 1,769,889,284 passengers.

Necessity of  
Transport Fa-  
cilities.

##### II.—The Problem of Passenger Transport.

###### Forms and Aspects.

The question of civic passenger transport has a number of aspects due to the variety of objects which the well organised transport system has to fulfil. Let us consider first, however, the various forms of the means of transport which city

Various  
Aspects of  
the Problem.

\* cp. Dawson op. cit. p. 201.

populations can usually command. In the advanced cities of Europe and America, they have practically dispensed with animal power for traction purposes, except on great occasions when show rather than speed is the object aimed at. Mechanical and electrical energy has taken the place on a vast scale of animal energy. But this substitution has not simplified the problem. The intense and growing pressure on space and time make the modern civic authorities ever alert and anxious to utilise every possible means of solving the transport problem: and so they have in those countries requisitioned the surface proper of their streets, as well as the underground and overhead space, to construct transport facilities. These latest developments have been facilitated by the increasing use of electricity, which, taking the place of steam, has abolished the nuisance of smoke and cinders, and added materially to the comfort and rapidity of travelling. There are many, however, who still think surface travelling superior from the point of view of the convenience and pleasure of the passengers, since in underground tunnels, the passengers have no view but the monotonous wall of the tunnel, no daylight, and no free air.

Means of Passenger Transport.

The most important means of passenger transport, then, are nowadays, from the point of view of the volume of traffic carried, the street railways,—surface, underground and over-head. There may be,—and usually are, other means of urban transportation for passengers *e.g.* motor-buses and charabancs, taxis and hacks. But the last mentioned, which is drawn by a horse, is rapidly becoming obsolete and extinct, though in Bombay city, there are still over 2000 horse drawn hack victoria carriages plying for hire. The motor-taxi is evidently an aristocratic conveyance, utterly beyond the means of the largest section of the citizens.\* The char-a-banc, again, is a holiday conveyance for a pleasure trip in the country rather than a means of regular passenger transportation in the city. So there remains practically the motorbus alone to be considered. But are we to consider it as an alternative to the street railway, or as a complement and a supplement? Are we to regard the 'bus merely as a feeder to the tram, or should we consider it as an independent and efficient means of transport by itself? Even if it could be regarded as an equivalent to the street railway in the matter of speed,—which is extremely questionable in view of the necessarily lower speed at which street traffic would be allowed to work, not to mention the possibility of traffic blocks which do not affect underground railways at all,—the bus cannot possibly be regarded as a good rival to the street-railway, particularly the underground and elevated railways which can carry per unit train a

\* A false sense of snobbishness makes just that class of people in India prefer an individual conveyance of their own—or employ a hack or a taxi—which in the more democratic cities of Europe and America would ordinarily patronise the tube or the tram or the bus. Even a permanent under-secretary of State—not to mention a Prime-Minister—in England habitually uses the bus or the tube; but in India the Under-Secretary would feel it unspeakably *Infra dig.* to travel in a street tram-car. Hence the cry about the heavy cost of living and the incessant demand for increase of salaries to a none too miserably paid bureaucracy

far larger load than the 'bus. By multiplying the number of buses, and increasing the frequency of their running, the 'bus-owners in London have counteracted many of their initial disadvantages. They have reduced fares, particularly where there is severe competition, and increased the number of passengers carried in their buses. But they still suffer from the unavoidable handicap of a much smaller unit load and the much greater liability to loss of time through traffic blocks on street surface. As such, in a well co-ordinated system of civic transport, the buses would be treated rather as auxiliaries than as principal, or independent, efficient means of acceptable transport by themselves. On the other hand, the street railway needs an enormous amount of initial expenditure\* which is a great handicap; for the motor-bus does not require a costly permanent way, or tunnelling, or driving, or stations, sheds, sidings, platforms &c. The motor bus can go practically anywhere, within reasonably long distances † wherever there are good roads. If the 'bus and the tram.—(we include in this expression, for the sake of convenience, all forms of railroad transportation) were not competing, they would be treated as feeders; if they be brought under the same management as the tram, the railroad authorities would work them as they have worked the canals in England, that is, they would quietly suffer them to fall into

TABLE III.

\* Showing the estimated cost of Double-Track Rapid-Transit Rail-Roads of various types and under different conditions, reduced to cost per mile of single track.

TYPE OF STRUCTURE.	Cost per mile of Single Track.
Overhead trolley railroad on public roads or private rights of way, where no pavement is required .. ..	\$ 25,000
Overhead trolley railroad in city streets, including asphalt or granite pavement between tracks and two ft. outside .. ..	„ 41,500
Underground trolley railroad in congested city streets, including pavements, conduits and care of sub-surface structures under conditions such as those in Washington, D.C. .. ..	„ 48,500
Same construction as above under conditions existing in New York City. .. ..	„ 126,500
Elevated railroad, steel structure, such as are built by the Public Service Commission in New York City, including stations .. ..	„ 113,000
Railroad in open cut, excavation by steam shovel, concrete walls, including bridges and stations .. ..	„ 225,000
Railroad on masonry viaduct stone ballasted, as on Queens Boulevard, New York City, including stations .. ..	„ 330,000
Underground railroad near surface, excavation by steam shovel, little or no interference with subsurface structures, including stations .. ..	„ 402,200
Underground railroad in streets like Broadway New York extreme interference with subsurface structures; support of surface tracks with underground trolley construction, including stations .. ..	„ 1,190,000
Iron tube tunnels, concrete lined, under water-ways or below water level, no stations .. ..	„ 2,700,000

cp. Nelson P. Lewis op. cit., p. 85.

† It is said the motor delivery vans of the great department Stores of London deliver their goods to customers within an area of 50 miles radius. The railways are rapidly losing this traffic. The London motor-bus carrying passengers often goes from Hyde-park corner to Windsor—a distance of 25 miles or more—and the passenger could come by another bus from another distance of 15 or 20 miles.

disuetude unless restrained by force majeure from doing so. The policy of co-ordination is all but impossible where the ownership and management of the two means of transport are in different hands.

Means of  
Transport  
in India.

In the principal Indian cities, the bulk of the passenger carrying is done (1) by the main lines of Railways with suburban service; (2) by tramways on the street surface; and (3) latterly, and to a limited extent, by buses.\* The main rail-roads are, however, all Central Government responsibilities; and though their suburban service may have the utmost possible bearing on the development of the cities, the Municipal authority has absolutely no say in the organisation of these services.†

Need of Co-  
ordination of  
main lines with  
the means of  
suburban  
Transport.

In America, the main lines of Railroads are in private hands; but they had to fall into line with schemes of city improvements, planned in such centres as New York or Chicago, where lines, owning half of the total mileage of Railways in America, converge. The right of the city to grant the "Franchise" helps effectively to bring about a proper co-ordination. In European countries, on the other hand, it is the power of the Central Government which brings about this end. It must be acknowledged, that in the leading cities of Bombay and Calcutta, the railway authorities do seem at last to have perceived their responsibility in the task of aiding civic development and expansion; and they have begun to contribute their quota by pushing on with projects of railway electrification, loopline construction, and co-ordinated working among themselves, if there be more than one line serving a city. But their quota is as yet negligible; and it is bound to remain so, perhaps, while the alignment of the rail-roads is planned for convenience of through traffic, the suburban service being regarded only as a side-show, if not as an excrescence. It is, of course, one of the most important and the most difficult points in the main problem of civic transportation, as to how to co-ordinate the main lines of railroad serving the city, and the various means of local and suburban transport operating in and near a city. Those who have at all studied the experience of New York, of Chicago, with its 27 different main railroad lines, of London with half a dozen lines, of Berlin and of Paris, would not despair of an effective co-ordination. But in India, we do not seem to

\* Calcutta has a municipal railroad, mainly used for the transport of refuse. But with the development of the motor lorry, this means of transport is becoming rapidly out of use.

† All the Railways in India put together carried in 1923-24 about 72,604,000 season ticket and vendors ticket holders, which may be taken to be practically the same as suburban traffic. The tramway in Bombay alone carried 101 million passengers in the year ending 31st December 1924. This is a little difficult to explain and understand. For while the tramways in India usually grant no concessions by way of season tickets &c. the railways only charge on an average 1.36 ples per mile to the season ticket-holder whereas their ordinary rate for the lowest class of passenger traffic is 3.52 ples per mile. Perhaps the railway figures only refer to the number of season-ticket holders, and not to the number of their journeys during the year. The bus figures are not available and must be insignificant. The Railway receipts from this traffic were about 50 lakhs of rupees, while the tramway, in Bombay alone had passenger receipts of Rs. 63.67 lakhs in the year ending 1924 December 31st. Is this the result of a rigid monopoly?

have even touched the fringe of the problem; and so the suburban service of the railroads touching the great cities of India must be dismissed as lacking in co-ordination, plan, or purpose, from the point of view of civic development and expansion; as well as in any effective or adequate say to the municipal authorities in the suburban service arrangement which could help the process of city growth.\*

As for the tramways operating in Indian cities the figures of Bombay, already given in a previous foot-note, would serve to show how important are these means in the matter of civic transportation.†

\* The recently formed advisory committee attached to each of the principal railways may draw attention to the bearing of municipal requirements. But they too are instituted as a help to the Railway Administrations in their general work, and not particularly or specially for municipal service.

† The following further statistics and information from the latest Report and Balance Sheet of the Bombay Electric Supply and Tramways Company would be interesting:

"The Company is still carrying an unparalleled burden in being compelled to carry passengers over the greater part of its system at fares fixed in the very different conditions in 1905, despite the large increase in all operating expenses, in taxation, and in the cost of construction and equipment. This makes your tramway business unremunerative in the commercial sense of the term. The Municipal Corporation having refused the application for permission to re-arrange tramway fares in the light of these changed conditions, the specific issue of the fares to be charged on the extension to Gowalia Tank is to be referred to arbitration, and the Company has submitted an application for increased fares on extension to the system constructed since 1905, to the Municipal Corporation for approval and sanction, with the suggestion that if any difference of opinion arises thereant it shall also be referred to arbitration.

#### TRAMWAYS.

REVENUE.	1923.		1924.	
	Rs.	Per cent.	Rs.	Per cent.
Gross Receipts .. .. .	63,89,507	..	63,07,308	..
Operating expenses .. .. .	39,51,240	61.84	40,46,773	63.56
Income & Super Taxes .. .. .	1,42,584	2.23	2,15,931	3.39
Total .. .. .	40,93,824	64.07	42,62,704	66.95
Net Receipts .. .. .	22,95,683	35.93	21,04,604	33.05

The extension from Grant Road Terminus to Gowalia Tank was constructed during the year, but has not been opened to traffic as the Municipal Corporation declined to sanction an additional fare thereon; this question has been referred to arbitration. The tracks and the overhead equipment have been maintained at a high state of efficiency. The carrying power of the rolling stock has been steadily increased by adding to the number of double deck cars, which are popular with the passengers and are specially adapted to coping with the traffic during "rush" hours. The Company's service has been kept well abreast of traffic requirements, and a good tramway service has been maintained notwithstanding the special difficulties in which this branch is working.

The usual comparative Statistical figures are subjoined:—

	Year ended 31st December 1913.		Year ended 31st December 1924.	
Miles opened: Route Miles .. .. .	20.85		20.85	
Number of Passengers carried .. .. .	101,995,572		101,290,755	
Car Miles run .. .. .	6,056,734		6,175,320	
NUMBER OF CARS IN STOCK:—	Units.	Cars.	Units.	Cars.
(a) Bogie Cars Single Deck .. .. .	8	8	8	7
(b) " " Double " .. .. .	38	38	51	51
(c) " " Trains .. .. .	62	124	50	100
(d) Single Truck Cars .. .. .	8	8	7	7
(e) " " " Double Deck .. .. .	12	12	15	15
(f) " " " Coupled as Trains .. .. .	165	330	170	34
	293	520	300	520



The problems for the municipal authority, hinted at in the foot-note, are not confined to Bombay only as is shown by the following extract from the Administration Report of Calcutta for 1921-22:—

"There was a suspension of tramway service during the year on two occasions, *i.e.* for two days in September, and for 27 days from 25th October to 20th November 1921. The situation was examined by the Corporation who approached Government with a view to an amendment of the Tramways Act so as to give the Corporation effective control in the matter of maintenance of a daily service, but the suggestion was not accepted on the ground that it would interfere with the contract between the Corporation and the Tramways Co. which forms the basis of the tramways legislation in Calcutta and has still 8 years to run."

We shall however discuss this aspect of the problem later on in this chapter, leaving the financial issues involved to be considered separately in the section of the work dealing with Municipal Finance.

Motor-bus  
service in India

As regards the Motor-bus services lately introduced in Indian municipalities, they are beginning to be important where either there is no effective tramway service, or where the Municipality is zealous enough of its rights to endeavour to safeguard them for the present and the future against the encroachment of the Tramway companies. In Bombay, the 'bus service has but just commenced (March 1925) and is working on very modest lines for the present. But the Municipality will have absolutely no justification, if it ignores the possibilities of a growing ambition, if it does not profit by the lessons of its experience with a private Tramway corporation in the city, and allows by its indifference a formidable vested interest to grow up against itself. In Madras, the 'bus service is beginning to be quite an important adjunct of city transportation.

### III.—The Madras Tramway Co. Scheme.

The Madras Tramways Co. Ltd., have, on lines similar to their sister organisation in Calcutta, made arrangements for running a fleet of buses. But the Corporation is averse to granting licenses for such of the thoroughfares as are now monopolised by the private bus owners and for which there are tram lines. But they welcome the idea of the Tramway Company in extending their activities to other portions of the city, especially to those parts of the city requiring connections with the Tram terminus. It is hoped that the Tramway Company will begin running their bus service from the beginning of June. The Commissioner of Police has issued an Order prohibiting the plying of buses in certain localities, and has defined the localities through which the buses can run. It is interesting to note that the Order of the Commissioner includes a definition of a bus, thus differentiating a taxi or postal van or any other trucks or chassis used by commercial firms."

In Calcutta also, the bus service is getting to be very important, though it must be observed that in this case it is the Tramway Company which has taken the progressive initiative, and not the municipal corporation."\*

\* "It is said Calcutta has practically superannuated and dispensed with the horse-carriage, or the hackney-coach, and that in its place there are about 2000 motor-taxis plying for hire in the streets of that city."

#### IV.--Some less studied aspects of the civic Transport Problem.

Having studied the forms or means of transportation, let us next cast a glance at some of the main complications involved in the transportation question as a whole. We have already noticed the need for co-ordination between the long distance through traffic on the main road lines, passing through or terminating in a city, and suburban traffic on the same lines in connection with the larger cities. What we have said on this point would, of course, apply, *mutatis mutandi*, to the extreme need for co-ordination within the city between the several means of communication - between the bus, the tram, the railroad of every kind. Similar co-ordination must also be secured between the several authorities owning and managing the different means of communication in the city, e.g. between the Central Government's Railway Board responsible for the main lines of railway in a city, the private Tramway Corporation, and the municipal authority itself. But this co-ordination might be difficult to secure, for the Government of India, operating or controlling the main lines of Railways, might, in all probability, from a misguided notion of position and prestige, refuse to acquiesce in co-operating towards a co-ordinated service. The process of co-ordination will, however, be very considerably simplified, if the authority responsible for it remembers the main objective to aim at in laying out the means of transport intended to serve a city. We may note in this connection that there is usually a double objective: (A) the development and expansion of the city and the growth of its suburbs, which is largely a matter of social reform, enforced on municipal attention by considerations of public health; and (B) the facility of intraurban communication for the sake of communication only. The former will involve considerations of the municipality's powers in regulating the agency which owns and works the particular means of transport, - with a view to secure rapidity, regularity and cheapness of the transport service to the suburban population. Cheap and effective service rather than pecuniary gain would then be the goal and the ideal of the authority managing the city's means of transport. Pecuniary gain would, however, automatically result, and in no despicable proportions, given reasonably efficient and disinterested management - from the monopoly of transport created by the process of co-ordination. The question of fares would be of no small interest in this aspect of the problem, we think, quite regardless of the ownership of the means of communication. For our part, we would say that the fares on the means of transport, owned or controlled by the municipality itself, must be low and uniform without any snobbish distinctions of the different grades or classes of travelling facilities, without regard even to the distance travelled. If the latter consideration operates very injuriously in practice upon the transport agency, a zone system of fares may be used, as in some German or American cities, subject to the proviso that in case of permitting fares to be fixed by zones, the transport agency shall be bound to issue travelling permits or

Need of co-ordination between the various means of communication,

passes at special concession rates to suburban workmen, scholars, families &c. In view of the fact that the average charge made by the Railways on their suburban traffic in India,—the season tickets—is only 1.36 pies per mile, and that the tramways charge one anna for any distance, the average journey in Bombay being about 2 miles, the tramway fare is obviously in need of sweeping reduction at least for their season-ticket holders.

Tramways in India,

The Tramways in India, besides, are by no means the last word in comfort or even rapidity of travelling. For rapid transit in the principal Indian cities, there is no alternative, in our opinion, to a system of underground or tubular railways, which would be fast and cheap enough to be of real service in relieving civic congestion.\*

(B) In the same train, may be included the question of the variety of service to be obtained from the city's means of Transport. And on this point we can do no better than quote the substance of agreement between the Berlin Municipality and the Local Tramway Company, as a model of what a city can and should secure, when it does not own or operate its own transport system.

“A glance at the main provisions of the document will show how tightly a German municipality controls private enterprises of this kind. The agreement will have force until December 31, 1939. Under it, the company renounces the State concession obtained for the ten years 1939 to 1949, undertakes not to apply to the Government for the extension of the present sanction, and agrees to pay to the municipality a lump sum of £1,150,000 by way of solatium and of consideration for the new permit.

The Company agrees to bear the cost of all street works which become necessary owing to its undertaking, and of all alterations, renewals, etc. caused by the same, also of paving for a distance of one foot on either side of each rail. Further, it agrees to contribute towards the cost of certain street extensions and improvements carried out or

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\* Mr. W. R. Davidge consulting town-planner submitted a report to the Government of Bombay on the question of rapid transit in Bombay city in 1922-23, in which after surveying the existing means of transport, he observed :—

“An underground railway for the fort and the adjoining business and commercial districts of Bombay would undoubtedly meet a considerable want; and there is every probability that the amount of traffic will, before long, justify the consideration of such a railway. I have carefully considered the circular route suggested by the Engineer to the Municipality and find myself in general agreement therewith, subject to the electrified suburban traffic being free to circulate through the whole of the city underground circle.” He did not recommend any overhead railway in Bombay. The Development Director observed, on this Report, in his Annual Administration Report: “There will probably be general agreement with the conclusion that any form of overhead railway must be ruled out of court: and, apart from existing railways, relief would appear to lie in the direction of an underground railway system overhead motor roads; trams running on reservations, and buses. The underground railway is an obvious remedy of which numerous examples exist, but its practicability in Bombay from the engineering and economical aspect has yet to be demonstrated.” This is a cold douche; but it is comforting to note that the municipal corporation is going on with the idea. Bombay is a city mainly on mud flats; and so the underground construction ought to be no more difficult than the similar ventures through the chalk soil of London. If a circular underground route is laid out, and cross town links are added at suitable places, there is no reason to fear Bombay could develop in a short time the most efficient and rapid means of city transport,—as good as any in the world.”

to be carried out by the city. All services and fares, all the general conditions of traffic (in so far as they are not regulated by the police authority), such as the type of car, provisions for lighting, warming etc., are subject to the approval of the municipality. There will, as hitherto, be a uniform fare of 10 pfennige or 1½d. for any distance, but this rate may be revised on the requisition of either party to the agreement at intervals of ten years. (at present it is possible to travel 12 miles for 1½d.). The company undertakes to issue cheap season, scholars', and workmen's tickets on such lines as may be prescribed by the municipal authority. It also undertakes, if required, to **carry the street and house refuse** of the city by night, in return for a "moderate payment," and to **transport corpses to the cemetery**, if the city should in future act as undertaker, as many German towns already do. In the interest of convenience of traffic, the company is required to connect up with other lines, and within limits to allow to the latter running powers. The company can only increase its capital with the consent of the municipality.

In return for permission to use the streets, the company must pay to the city 8 per cent of the gross receipts (increasing to 10 per cent if and when fares are raised beyond the uniform 1½d.) in respect of all lines upon streets for whose maintenance the city is responsible. In addition, whenever the divisible profits exceed 12 per cent of a share capital of £ 1,143,750 and 6 per cent of the remaining capital, the company must pay to the city one-half of the excess, and when the profits exceed 10 per cent of the entire capital, the city takes two-thirds of the excess. The city reserves the right to take over the entire undertaking on January 1 of the years 1920, 1930, 1935, and 1940, by giving the prescribed notice to that effect the price being fixed at 25 times the average dividend distributed to the share-holders out of ordinary profits during the preceding seven years, excluding the year of maximum and that of minimum profits. If the share capital has been increased, the dividend upon the old and new capital will be averaged separately. There is the proviso, however, that if the right of purchase should be exercised on January 1, 1920, the price shall be in no case less than 200 per cent or more than 250 per cent, of the share capital. On the other hand, if the city does not decide to take over the undertaking until January 1, 1940, it may then acquire the permanent way and appurtenances, the land and buildings belonging to the tramways, and the rolling stock, either at their book value (less 40 per cent in the case of the permanent way) or on a valuation.\*

As regards the intraurban traffic facilities, this is a matter of town-planning, —of the lay out of the entire city and of its various districts, in such a way that the least possible travelling should be necessary between any two. It is also a matter of co-ordination between the city transport agencies proper and those other agencies in the city serving the country at large. Generally speaking, this would be a question affecting rather the transport of goods than of passengers, though, of course, by means of proper town-planning, passengers could easily be spared travelling needless distances. For the convenience of the city's industry and commerce, and also for the convenience of the general

\* Cp. Dawson : Op. cit. p.

city population in shopping, it is important to consider the movement of goods within the city. The example of the Berlin tramways, quoted above, would suffice to show that such agencies can easily be utilised, if only the Municipal authority is sufficiently vigilant, to relieve citizens from the burden of carrying about bulky parcels from shops to their homes, —a convenience, which, of course, may not be appreciated in a country like India with plenty of leisure (?) and with a sickeningly poor standard of living. But it cannot possibly be denied that, if organised, such a system of **municipal parcel carriage** from point to point in the city would be a great boon to the citizens.\* The underground railway, or even the tram with a slight structural alteration, might easily offer this invaluable facility, if the principle is followed of charging for it at postal rates, without, however, imposing any restriction on the weight of parcels to be carried by the city transport agencies. The hours of night or of slack business might well be utilised for this kind of extra work. This would then be a side-line, a by-product of the transport system, which would add to the volume of its traffic at a relatively insignificant addition to the cost of its operation. We need not add that no municipality in India has imagination enough to think of such avenues of ministering to civic convenience.

#### V.—Relation of Municipal Corporations with the Transport Agencies.

Need of co-ordination between the Municipality and the Transport Agencies.

When a municipal body owns and operates its own transport system, no question need arise as to the relationship between the municipal corporation as a body and the transport section. It would be merely a department of the municipal business, and would be administered and controlled in the same manner as any other department. The question becomes formidable when the transport system of the Municipality is in private hands whether as owners or even as mere lessees and managers. Modern civic transport compels the agency carrying it on to meddle with the municipal property, like the city streets, on a thousand occasions; and the municipality is obliged to reserve powers of interference in the general interest of the city in matters of rates and fares, the routes to be travelled, the type of the conveyance, its means of securing the comfort and safety of the travelling public, the kind of special road building required by the transport agency &c., &c. When the Municipality has no *locus standi* for effective interference, as for example in the railways terminating in Bombay, Calcutta, or Madras, the Municipality is severely handicapped; and, in our judgment, the railway administration in these cities must seriously consider whether it would not be of great public benefit, if the companies separate completely the suburban from the main line traffic, and lease out the former

\* According to Zueblin's *American Municipal Progress*, Chicago had in 1919, 6 motor wagons delivering library books to 150 delivery stations in the city, each wagon an average day's trip of 42 miles, handling 600 books, or the entire fleet delivering over 1,000,000 volumes a year (cp. op. cit. p. 239-40). What could be done for library books could also be done for all other kinds of parcels, containing clothes, fruits, leather goods, groceries and all other household requisites.

to the municipalities in each case. It ought to be no great loss to the railway administration, since, as we have seen, their receipts from the suburban traffic are barely  $1\frac{1}{2}$  or 1 per cent of their total passenger earnings, and less than half per cent of their gross income. If the terms of the lease are properly drawn up, we do not see why the railways should not obtain all their present benefit from the suburban traffic as well as a fair share of reasonable expansion therein. The municipality, on the other hand, will also not be any loser: but by a process of proper co-ordination between all the transport agencies serving their cities, and by steady expansion, they would be able to procure a still greater boon for their citizens. With regard to agencies other than governmental, in which the Municipality is by rights the superior dictating body, the position must in all such cases be that of control and regulation in the city's interest by the Municipality of the transport agencies, under the terms and conditions of a license, lease, or special contract. The ideal, in our opinion, must always be that of direct ownership and management of such means of transport; and where through ignorance, indifference or oversight, vested interests of private individuals have been created against the municipality, it must, we think, be the steady endeavour of the Municipality to try and obtain the direct management of such means at every opportunity available under the terms of the license, lease or contract. Until, however, such opportunity does occur, supervision in public interest is all that the municipal authority can attempt,—a situation which faces almost equally all the municipalities of India, who have tramways working within their jurisdiction. If we examine a typical contract in India between a municipality and a Tramway Company, we shall find the following outstanding features:—

- (A) A monopoly of tramway service in the city is created for the benefit of a private corporation\* on which certain obligations are imposed for paying rent &c. for maintaining a good service, for extending the trackage.
- (B) The corporation reserves the right to buy out the Company after a certain term at a valuation according to a predetermined process. Provision is also made for extension of the privilege for another period, automatically followed by another opportunity to buy out.

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\* We may observe, as a curiosity of the Municipal history in India, that the tramway enterprise in the eastern metropolis was originally suggested by Government itself to be started under the direct agency of the corporation (1870) Government offering to find funds for the purpose on the security of the general rates; or, in the alternative, to start tramway enterprise at Government's own risk, using the corporation as the agents of the Government for purposes of management. The Corporation preferred the former course, but their effort proved a failure. A private individual then took up the work under agreement with the corporation; but his work was far from satisfactory, the corporation being even obliged to sue him in a court of law, and get him punished but to no purpose. The present agreement of the Corporation with the Calcutta Tramway Co. dates from 1902, and the monopoly expires at the end of 1931. Under certain terms, the corporation can buy out the enterprise either then or at intervals of 7 years thereafter. Cp. *Municipal Calcutta* by W. Goode, p. 322-30.

- (C) So far as we can see, all the existing contracts were made at a time when the possibilities of the motor-bus or the electric railway underground were not appreciated at all by the parties to the agreement, so that the privilege as a monopoly is liable to a serious breach.
- (D) Fares are fixed definitely or under a scale prescribed in the agreement proper, while by-laws may be made for incidental purposes to be approved by the corporation and sanctioned by the Local Government.

These, then, are the main provisions of the agreement. The Bombay Electric Supply and Tramways Co. Ltd. is given "Extensive right" to convert the old tramways into tramways to be worked by electric power, and to construct new tramways in Bombay, also to be worked by electricity in other public streets of the city" subject to the approval of the Municipal authority and sanction by Government. [(Clause 1 (a)] Does this monopoly affect or include (a) electric underground railways in the city, or petrol-driven buses? We should be inclined to answer in the negative. This then is an effective weapon the corporation seems to have reserved to itself to bring to heel, if and when necessary, an intractable company as also to make the necessary expansion of transport facilities to meet the growing pressure in this behalf. Again, if the company, refuses to lay down any additional line required by the commissioner, the latter may give this right to any other person or lay down such additional line at municipal expense, which the Company can be called upon to work as its own line (Ibid.) To us, this seems to be another modification of the principle of monopoly. The monopoly is given for a term of 42, 56, or 63 years from 1905.\*

The actual terms of the agreement are open, in our judgment, to serious criticism as they seem to favour unduly the tramway company, particularly if the Municipality develop alternative means of transport as suggested here. The company is given the indispensable privilege of opening and breaking up the municipal roads (cl.-7) in the course of and as incidental to its work, under certain conditions, and provided always that the company at its own expense fences, lights, and protects the public against such broken up roads (cl. 8). It is considered in many quarters the strongest objection against private profit-making enterprise that it has necessarily to be given powers of interference with the street surface. The Commissioner may make regulations as to the speed of cars, the hours of their daily running (6-30 A.M. to 11-30 P.M.,) the distance between carriages on the lines, the working of carriages carrying goods† (cl.11)

\* The Calcutta monopoly is for twenty eight years with extension of seven years thereafter. The Karachi agreement of 1882 was for a term of 21 years only in the first instance.

† Except for the tramway company's own purpose, no goods are carried by tram-cars at least for the citizens.

"The Commissioner may from time to time impose reasonable restrictions as to the carriage of dangerous goods or offensive matter, and as to the hours at or within which the tramways are to be used for goods traffic.

and the company is made answerable for all damage &c. arising out of its act or default (cl.12). For carrying out new construction, detailed plans must be submitted to and approved by the commissioner.

"The B. E. S. T. Company shall have authority: (a) to take tolls, fares and charges for the use of the tramway at rates to be fixed subject to the approval of the Corporation; and in so far as regards passenger traffic over the lines comprised in the now existing tramways, the fare shall (subject as hereinafter provided) be at a uniform rate of one anna from any one point to any other point. Provided, however, that the B.E.S.T. Company shall be at liberty with the approval and sanction of the Corporation to institute a tramway service for the conduct of passenger traffic over the whole or any part of its system in two classes, and to charge special fares to be fixed with the sanction of the Corporation for the conveyance of first class passengers."

It is this provision, that seems to have created the present deadlock in the matter of fares on the tramway extensions already made. It may be noted, that there is no provision whatsoever here, for either workmen's tickets at special concession rates, or even the scholars' ticket. The half-fare charged to children under 10 is a half-hearted concession which has a history of its own.

"The Corporation shall be entitled to require the "—B. E. S. T. Company to make and carry out special arrangements (consistently with the exigencies of general traffic) for affording trainway service for any municipal purposes (not therein including removal of sewage) to be determined by the Commissioner at special rates to be fixed on the general basis of payment of cost of supplying the necessary motive power plus an addition for wear and tear of plant machinery and rolling stock, and for services of the staff of the B. E. S. T. Company, and for reasonable profits."

This also seems to be particularly favourable to the Tramway Company, as we cannot see why any profit should be payable for special work for and on account of the municipality, nor can we see why special cars at special hours should not be provided by the Company to remove the city refuse, garbage or even sewage at cost. Clause 18 of the Deed of Concession,—as this agreement is called,—is comprehensive, enjoining on the company to begin the work by a given date; indemnify the corporation against suits; draw up and enforce a code of by-laws requiring from its employees "sobriety, courtesy and vigilance" qualities not particularly wanting but also not in evidence in superfluity; maintain a sufficient number of passenger cars,—the company's servants endeavouring simply to keep off all surplus traffic, when the car has no more room, to avoid excessive strap-hanging or gangway blocking.\*

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\* In Calcutta they have a sliding scale of rent-charge 11.

"The track in Calcutta is:—

	Double line.	Single line.
First 9 years	3000	2000
10th to 13th years	3250	2250
14th „ 17th „	3500	2500
18th „ 21st „	3750	2750
From beginning of 22nd year,	4000	3000

(cp. Goode, Municipal Calcutta, p. 329.)



"(j) to pay to the Corporation in respect of the existing tramways a yearly rent at the rate of Rs. 3,000 per mile of double track and Rs. 2,000 per mile of single track payable half-yearly; such rent shall accrue due from the date on which the B. E. S. T. Company obtained possession of the existing tramways as aforesaid.

(k) to pay to the Corporation in respect of any extensions and additions to the existing tramways, and any new lines to be hereafter laid, yearly rent at rates 50 per cent lower than those payable in respect of the existing tramways—such additional rates to accrue from the respective dates on which such extensions, additions, or new lines shall be opened for public traffic, and shall be paid at the times and calculated in the manner provided in the last preceding sub-clause."\*

This is another example of unduly favourable terms for the Tramway Company. There follow provisions regarding purchase of the company's enterprise during the currency of the agreement (cl. 20, 21) on certain stated contingencies, which, in our opinion, might have been worded more generously for the corporation and for the city, since the emergencies mentioned make no reference to the possible inadequacy of the company's service or to the growing needs of an ever-increasing population.

We have already criticised, in passing, the terms of this agreement—the Deed of Concession, which the reader is now in a position to contrast for himself with the corresponding agreement of the city of Berlin quoted already, and judge for himself how far civic interests are really considered and adequately safeguarded in India.

## VI.—Water transport in Cities.

Water Transport in European Countries

The possibility of cheap and efficient transportation by water to serve the needs of the city is almost unknown in this country. In European countries, water transport, wherever available to cities, is utilised to its fullest extent for pleasure as much as for business. The river-cities of Germany, particularly, have developed their water facilities to such an extent, that towns distant from the sea as much as a thousand miles have nevertheless been made some of the greatest harbours in the world, while towns that do not lie upon a river are still anxious to link themselves up with rivers with extensive canalisation. A close study of the municipal achievements in such towns as Duisburg, Ruhrort, Düsseldorf, Frankfurt-on-the-main, Strasburg, Hamburg, Dresden, Bremau, Breslau would suffice to show what immense convenience to the city public, and what an enormous boon to the industry and commerce of the place can be offered by the river front development of cities, by means of docks, quays, wharves, warehouses and all the mechanical aids to loading and unloading cargo. Rivers and Canals are equally important in France or America, while in Britain,

\* (From Cl. 18. sub-sections (j) and (k). ).

though river transport is not unknown, the competition of railways has succeeded in giving it an entirely second-rate position.

In India, too, water transport facilities are not absent altogether. Calcutta and Rangoon are great river-ports, and cities along the Brahmaputra, or the Ganges, or the Indus,—not to mention the great rivers of the Punjab or of South India—cannot be strangers to this factor. Nevertheless, Indian cities have yet to learn that transport by water can be made quite satisfactorily an integral part of the city's transport system as a whole. It is not enough to utilise the water-front as a harbour for long distance traffic only; that gift of nature must be developed to contribute the utmost it can to the passenger and even goods transportation within the city. In Bombay, for example, the sea is a most lavish endowment, and yet the city authorities, while pressed on all points for expansion, while expanding northwards laterally beyond the strength of the existing means of transport to keep pace with that expansion, seem to have no thought of expanding diagonally. The region across the harbour is so generously indented by the arms of the sea that a ferry service of reasonable speed and regularity could transport thousands and hundreds of thousands every day to and fro, with perhaps a fraction of the cost of the ordinary urban transport. If the harbour is not navigable for ferry boats in the wet weather, they must set about concerting measures against this difficulty. If everything else fails, there is always the possibility of a submarine tunnel under the harbour joining up with the main underground railway system of the city, which, in our opinion, cannot long be delayed.

## VII.—The City Telephone Service.

We shall add here just a few words on the Telephone service in the city. <sup>Telephone Service.</sup> The telephone is essentially of local service,—though of course long distance telephones are rapidly becoming popular; while the telegraph, or the Post is properly speaking national if not international. The local postal facilities in cities like London or Paris, e.g. by underground pneumatic tubes for parcel service, may be taken to be exceptional.\* But the telephone in every city ought to be a purely municipal concern, at least in regard to merely local communications. In India, however, the telephone is also in private hands, under agreement with the Central Government, which has a monopoly of the postal and telegraphic business. Comparing the charges for Telephone service in European countries with those of India, we cannot but notice that the Indian system is by far the costlier of the two. The Bombay Telephone Company is considering, while these pages were going through the press, a scheme to substitute their present system of charging flat rates of a fairly high amount by a system of charging accord-

\* Glasgow and Amsterdam are among the most prominent examples of cities that have municipalised their Telephone Service, and we do not find that they have any cause to regret their action.

ing to the number of calls, subject to a minimum. This would be an excellent expedient for raising the revenue of the company; but by the same token it threatens to be an intolerable charge on the citizens. Telephones make one of those essential services in modern cities, whose full benefit can only be realised under a system of municipal working. And when private companies act in such a manner, thinking only of their profit, the case for municipalisation of such an essential service becomes irresistible. In the United Kingdom, we may add, they have nationalised the Telephone Service; and the charges are framed so as to secure the utmost use of the service rather than to obtain the maximum revenue for the State.

### VIII.—Miscellaneous Functions of Public Convenience.

Other functions of Public Convenience.

There are a number of functions, serving in some way public convenience, that still remain to be noticed, and, it being impossible to class them under any of the divisions mentioned above, we have included them in this chapter for a brief review; and first of all we shall consider the question of the city as the Poor Man's Lawyer.

Necessity of Free Legal Advice to Poor citizens.

In the society as it is organised to-day, every citizen, at some time or other during his life, is obliged to ask for legal advice; and as legal advice is made saleable for money—like any other commodity,—the pecuniary ability of citizens has a great though unseen influence on the course of Justice. In Germany, many a municipality has organised its own **Legal Advice and Information Bureau**, which assists persons of small means in the many legal difficulties that arise in the complex life of to-day, *e.g.* in regard to mutual obligations between employers and workmen, landlords and tenants, or even husbands and wives, parents and children &c. Advice is usually given free, unless where legal documents have to be prepared. In India, under the traditions of the British Judicial system and legal practice, a pauper suing in **forma pauperis** may obtain certain concessions, including in criminal cases a free advocate. But the stigma of pauperism is so severe that people do not like voluntarily to fall under it. The municipality, in this matter, remains absolutely indifferent, though life and its conditions and relations are rapidly becoming as complex in India as in the most industrialised countries of the west.

Administration of justice in Indian cities

In this connection, mention may also be made of expeditious administration of justice in petty matters. The Law is proverbial for its delays everywhere, and the delay kills a poor man. Indian presidency cities have established courts of Hon. Magistrates to dispose of petty matters, while there are special tribunals—civil and criminal—which deal with cases within certain monetary limits, or relative to certain specified offences. Cases affecting personal relations,—*e.g.* marriage-relations, inheritance etc. do not come before such courts ordinarily, and they have accordingly to go through all the vexatious and exasperating process of law. Even Workmen's Compensation claims have to be

submitted to a specially appointed tribunal. But in all these matters, the municipality has no hand at all, though they may affect most vitally the welfare of its citizens.

Indian Municipalities are obliged by law to keep a regular record of the vital statistics within their jurisdiction, for without such statistics, it is thought, public health cannot properly be attended to. As a necessary corollary to this legal obligation, they have also to provide for the registration of births and deaths, though it must be pointed out that the migratory habits of a large section of the population dwelling in towns of the first importance, render the birth statistics extremely unsatisfactory. It is customary for people of limited means in Bombay to send away expectant mothers to their native villages for delivery under the more healthy conditions of rural life. The births in the city are therefore out of all proportion to the number of children under one year of age, for example. Great precautions have therefore to be taken to see that the complication thus introduced is suitably provided for to prevent it vitiating the general results.

Vital Statistics and Registration of Births and Deaths.

Marriage is recognised in India as a civil status, but not fully as a civic function in solemnisation. The newly instituted Civil Marriage can be performed before a Registrar—a municipal official. But as a rule, marriage is regarded in India as a sacrament, in which the municipal authority has necessarily no part.\* It is difficult to say if social reform in this country will proceed in the future on such lines as to give the marriage contract its proper place in the scheme of social obligations, and rid it of all the sickening sentimentality that hangs around it. But if and when such developments do take place, it will be found that the Municipal authority—represented by the Mayor as in France—would be just the proper authority to give this particular kind of contract all the solemnity it requires. And, as a corollary we may add, that if improvement and extension of divorce facilities supervene as a consequence of the reform of marriage laws, the same Municipal authority will have to intervene to undo the knot tied by itself before.

Solemnisation of Marriage and undertaking of Funerals.

It is a long cry from marriage as a sacrament and the socialisation of the child as the only possible means for a real reform of the marriage system; but should that also come to be, the Municipality will have to take the full burden of this duty towards the future citizens.

We have remarked more than once in the preceding pages, that the scheme of functions ordinarily discharged by the municipal authority in India is lacking most notably in the powers of what is commonly and collectively described in European countries as Poor Relief, as also in the functions of a Police Authority; and we need only repeat the remark here to show that a real co-ordination and a sympathetic scheme of municipal functions will not be created, so long as these two most important classes are denied to the municipality.

Police and Poor Relief.

\* Divorce is either unknown in India, or where known and allowed, e.g. among the Muhammadans, it gives no room for any municipal interference.

## CHAPTER IX.

### PUBLIC EDUCATION.

#### I.—Municipalities and Mass Education.

Necessity of  
Mass Educa-  
tion as distin-  
guished from  
Adult Educa-  
tion.

One of the greatest needs of modern democracies, whether on the national or on the municipal scale, is that "we must educate our masters". Without a proper understanding of the issues involved in many a question of vital importance in the everyday life of the citizen, without a proper training and development of the native intelligence each one of us is gifted with, it would be simply impossible for the citizen to record his judgment on the questions referred to him; and if the judgment of the electors is recorded without understanding or appreciation, chaos and confusion must inevitably be the consequence for the democratic state that suffers its real sovereign to remain ignorant. The systematic education of the masses we here contemplate, needs to be distinguished from that cognate branch of educational activity, which is ordinarily styled **Adult Education**. The latter is the consequence of an appreciation of the advantages of education by people who have received the rudiments of knowledge; and who, accordingly, of their own choice, would continue some specially selected branch or group of studies, either to help them in their worldly careers, or simply and solely for the sake of pure knowledge. We shall have to speak of this form of municipal activities later on. Here we must point out that mass education proper, in a democratic state, wherever the need for it is understood, is of an essentially different kind. In the first place, the choice of subjects marks a most prominent difference. While in Adult Educational work, the intending student is allowed to make his own choice of subjects, the further study of which he wants to prosecute, in mass education proper, the subjects of instruction are selected by the instructors or those who appoint them, and have a direct bearing upon the daily concerns of public life. The initial or preliminary preparation expected from the aspirant for Adult Education is relatively of a high order; while that expected of the beneficiaries of mass educational work is almost nil. Even the bare rudiments of knowledge—the 3 R's—need not be postulated as the *sine qua non* for the extension of this benefit. The task of the educator lies in so completely simplifying the elements of the subject matter discussed, in so vividly visualising the instruction imparted, as to make the most ordinary intelligence grasp the main points. The range of subjects will of course have to be wide enough so as to embrace such subjects as the nature of malarial fever or the Fiscal Question; and the aids to instruction made available by modern science *e.g.* the cinema, the lantern-slide, curves and graphs, maps and photographs—will have

to be employed very extensively, particularly when dealing with an utterly uneducated audience. But the point of special importance is that, by every possible means at our disposal, democracy must be educated if we would not endanger our accepted solution of the greatest problem of political life.

On this conception of mass education, it must be admitted that very little is being done in this country by the State or the Municipality for educating the citizen, who has been unfortunate enough in his own childhood not to receive the benefit of even the most elementary education. Perhaps this obligation of the State is not even understood as such in India, where a faith in absolute fatalism has induced the professedly most enlightened Government to accept the doctrine that what is, must be, that there is no help for it and no good trying to improve it. The Indian case is not quite on a par with the case in this behalf of other countries. But elsewhere, the duty of the Municipality's activity to endeavour and widen the outlook, broaden the mind, liberalise the judgment of the citizen by carrying knowledge to his door, is so thoroughly recognised that municipalities are never tired of arranging special classes and holiday courses on selected topics of daily importance to the citizen. Besides maintaining very considerable libraries, in Germany, "many towns regularly arrange wider courses of popular lectures on scientific, literary and historical subjects, and still more assist associations and institutions which in any way whatever aim at bringing knowledge of the kind within the reach of the working classes..... In their concern to advance the education of the working classes, to stimulate their interest in culture, and to refine their tastes and habits, the municipalities are simply carrying further endeavours which began with the workers themselves."\*

Progress of  
Indian and  
European Mu-  
nicipalities in  
this direction,

## II.—Legal Powers of Indian Municipalities in Public Education.

This backwardness of Indian municipalities is not in our opinion due to the inadequacy of legal powers enjoyed by them; for there is nothing in the several acts preventing a Municipal corporation from carrying on the real work of mass education, so as to benefit directly and immediately the present generation of adult citizens. True, the educational duties and powers of the Indian municipalities are not laid out with anything like the minuteness evident in the sections dealing with water-supply or drainage facilities, for example. But, as Mr. P. D. Ayangar observes in his *Law of Municipal Corporation in British India*:

Legal powers  
of Indian Mu-  
nicipalities in  
Public Educa-  
tion.

"Direct legal recognition of education outside the statutory sphere is found in its adoption by equity as a proper subject for a public or charitable trust, the exercise of the royal prerogative in granting characters of incorporation to bodies engaged in educational work and in a few rules of the Common Law dealing with certain education relations."†

\* Dawson op. cit. p. 212.

† op. cit. p. 692-3.

By the established principle of the Municipal Law in India, education of the masses is made one of the duties of the Municipal corporations, and the sections dealing with the Municipal Fund leave no doubt, by their wording, as to the perfect legality of such expenditure, should a Municipality want to embark on the project of Mass education.\*

The latest developments.

Under the latest development, the Government in India, under public pressure, seems to have recognised the value of spreading education, if not in the existing generation of adults, at least among the children of to-day, who will be the citizens of tomorrow. It is also recognised that the appalling poverty of the people would make it impossible for them to avail themselves of this benefit, if education when made compulsory were also not made free at the same time. Accordingly, between February 1918 and October 1920, seven of the major provinces of India passed acts relative to compulsory primary instruction, beginning with the children in the municipal areas.† The Municipal Acts proper, subsequently passed, make elaborate provision for the constitution of Education Committees, defining their powers and duties, and creating a special education Fund. Among the objects permitted or recognised for expenditure on matters educational, special mention is made of free and compulsory education, institution of schools and school-houses and their maintenance; establishment of public libraries and reading rooms, museums, art-galleries, gymnasias, and provision for mental, physical and technical education as well as the training of teachers. Funds permitting, the Municipal Councils may be compelled to make provision for the instruction in schools of all children of school-going age resident within the municipal limits. Fees may be levied in every school maintained wholly from municipal funds, according to rates prescribed by Government. As a rule, the Acts provide that education, where compulsory, shall be free,‡ and when necessary a special education tax may be levied for this purpose with the previous sanction of the Governor-in-Council. In Bombay, the local Government guarantees half the cost of the project; and under that assurance, the Bombay Corporation is now contemplating the introduction of compulsory education in 2 selected wards of the city.§ Before putting into effect

\* See Ss. 73 and 91 of the Calcutta Municipal Act Ss. 39-41 of the Bombay Act and Ss. 28-56 of the Bombay District Municipalities Act.

† The Bombay and U.P. Acts apply only to Municipalities; Bengal begins with municipalities, but the Act may be extended to other local areas. In other provinces the Acts apply to all local areas. In Punjab, Bihar and Orissa and Bengal, boys only are included in the scope of the Acts; in the Central Provinces, the Act begins with boys but is capable of extension to girls; and in the remaining provinces, the Acts apply to both sexes alike. The age of the child varies from 6 years to 10.

‡ While in all other provinces, the administrative authority for this work is the municipal council, in Madras, a special *ad hoc* body, called the district Educational Council, is created to prepare schemes for the extension of elementary education, to elicit and direct the co-operation of all agencies in opening new schools, and to regulate the recognition of the primary schools for the disbursement of the grants-in-aid.

§ Even where compulsion is introduced, provision is generally made for exception in case of illness, bodily defect &c. as well as in the case of particular classes and communities. The employment of children who should be at school is strictly forbidden.

any such scheme of compulsory primary instruction, the local body concerned must give notice of its intention to do so.

### III—Actual Work and Achievements of Indian Municipalities in Primary Education.

The following table gives in a summary form the position of the leading <sup>Present Situation.</sup> Presidency Municipalities in respect of Primary education in their jurisdiction.

Name of Municipality.	Number of Municipal schools.	Number of Pupils.	Population in the Municipality (1921).	Expenditure on education.
			Rs.	Rs.
Bombay (1923-24) .. ..	333	39,987	1,175,914	24,38,987
Calcutta (1921-22) .. ..			13,27,547	2,41,572
Madras .. ..	35	6,215	5,26,911	1,39,843
Rangoon (1923-24) .. ..	108	8,628	3,35,491	2,09,548
Allahabad .. ..	51	4,245	1,57,220	94,140
Benares (1923-24) .. ..	40	5,021	1,95,133	63,827
Lucknow (1922-23) .. ..	86	7,201	2,40,566	1,54,864
This includes all kinds of schools.				

Obviously Bombay is far and away the premier city in regard to Municipal activities in educational matters. It must not be forgotten that the progress in Bombay is of quite recent origin. The number of schools and pupils as well as the amount of expenditure has grown enormously in Bombay in the last generation, and the analysis of the income and expenditure of the Education Fund in Bombay given in the footnote\* explains how the money is laid out. In the table of expenditure, it would be worth-while pointing out that the salaries and

\* Table showing analysis of Education Income and Expenditure.

		in Bombay (1923-24)	
Income	Rs.	A. Schools.	Rs.
Balance brought forward ..	12,484	Salaries of Teachers .. ..	11,92,895
Fees from		War allowance .. ..	3,71,037
Municipal schools .. ..	51,302	Servants .. ..	47,125
Contribution from		Rent .. ..	4,14,702
General Municipal Fund ..	23,91,400	Cost of class books .. ..	6,245
Government Grant-in-aid		School furniture .. ..	21,276
Interest .. ..	3,132	Prizes .. ..	13,288
Miscellaneous .. ..	612	Contingencies .. ..	1,11,183
		Scholarships .. ..	495
		Training stipends .. ..	17,890
		Supt. Establishment .. ..	44,372
		Grants in aid to Primary schools.	1,56,897
		Library & Museum .. ..	1,497
		Medical Inspection .. ..	23,111
		Supt. Aided schools .. ..	4,685
		B. Buildings.	
		Municipal original Works.	
		Repairs .. ..	12,281
		Balance .. ..	19,956
			<u>24,58,931</u>



allowances take up more than 50% of the total municipal expenditure on education—a tacit acknowledgement of the fact that without properly paid teachers we cannot expect to have a sound system of education. The item of rent accounting for over 16% is much too excessive, and we do not see why the corporation should go on paying this heavy toll to the private landlord for school-buildings. It may be costly to start all the necessary buildings at once, but in the long run it would be much more economical for the Municipality to own their own school-buildings, whether built by themselves or obtained by donations from charitably disposed people. Any saving made in this direction can be far more profitably utilised in increasing the amount under scholarship or school-books, which seem to be very inadequate. The Municipality claims from Government a grant of Rs. 8,62,876, but the latter contribute only Rs. 4,41,833 as they have done for the two preceding years. The Municipality has evinced its progressive character by resolving upon the experiment of compulsion in education in 2 of the poorest and most populous wards F and G, Government sanction having been at last obtained for the municipal scheme.

#### Statistics.

Besides the Municipal schools for primary Education, there are two other classes of schools which are also doing valuable work in the same direction. There are 153 Aided schools (1923-24) with 15509 pupils, costing in grants to the municipality Rs. 1,56,897, while there are 91 unaided and unrecognised schools with a roll of 7083 students. This makes a total of over 55,000 elementary scholars in Bombay out of a total population of school-going age numbering about 150,000. To secure a superior type of teacher, the corporation also encourages special training in Training Schools by special stipends, though, of late, a regrettable tendency seems to have set in for unwise retrenchment in that direction.

#### Corporation and school hygiene.

Besides the educational work proper, the Corporation does a good deal of hygienic work for the scholars in the municipal schools. Special attention is paid to dental clinics, and attempts are being made to counteract the effects of malnutrition and other ailments found among the scholars medically examined in the Municipal schools.

#### Help of corporation to specialised institutions carrying on educational work.

The Corporation engages quite a considerable number of teachers, (1097 males and 542 females), of whom 133 are teachers for special subjects, like music, drawing, sewing, knitting, drill and Hindi. The Bombay Municipality makes a certain contribution towards specialised institutions, like the J. J. School of Art, but maintains no such institution of its own; whereas in Madras, an attempt is made by the Municipality to introduce vocational education in some of its schools, like manual training in wood work and Tailoring.\* In regard to Reading rooms and museums also, Bombay is content with a single Municipal Museum, the Victoria and Albert Museum in the Victoria Gardens, and for the rest makes finan-

\* There are twenty-seven such schools for training in wood work, and three in Tailoring.

cial contribution to other similar institutions in the city, . . like the Prince of Wales Museum. In Madras, the Municipal Corporation aids 4 reading-rooms in the city.

#### IV.—Some Special Problems of Education in India.

The peculiar customs of the peoples of India raise some special problems for the municipal bodies in that country to dispose of. The question of the Untouchables, or even of the classes educationally as well as economically very backward, is peculiar almost entirely to this country. In large centres, it would be possible to set up special schools for the children of the Untouchables; and though there is a great deal to be said for the viewpoint of the ardent social reformer who would not permit in Municipal schools such special distinctions of a superstitious kind, it must be admitted that a premature attempt at enforcing such ardent views might result in frustrating the main object of education. But even granting, that in the large centres of population represented by the leading Municipalities of India, it is necessary and advisable, in the interests of the classes concerned themselves, to set up special schools for their benefit exclusively, the question does not end there. What should we do for such classes in the more sparsely populated districts? Must we deny them the benefits of Education altogether, because the self-styled superior classes do not care to sit on the same bench as the children of the Untouchables? The realisation of this tremendous handicap in India's struggles for freedom by all the outstanding Indians of the day, does not yet help to avoid altogether the curse of the Untouchable, or smooth the task of local authorities for the more energetic education of the Indian public.

Another problem, though not of equal difficulty to-day, is that of the education of girls. Custom enjoins very early marriage in India, and the girl as she grows into womanhood is prohibited from mixing with stranger male folk. There must therefore be special schools for girls, staffed entirely by women teachers. Considerations of economy would in some of the poorer places demand a combination of all scholars irrespective of sex; but in the municipalities, this difficulty ought not to be impossible to surmount; and nowadays every important municipality maintains separate schools for girls. The number of Girls' Schools as well as of girl scholars is, however, still relatively very small.

We have already indicated the problem of the education of the masses, but this is in no way peculiar to India, nor need we take up any space here by repetition of what has already been stated. But mention must be made in this place of the Municipal contribution towards secondary and Technical education of a superior kind. In Germany, though the provision of Secondary education is the duty primarily of the State, the Local authorities are by no means indifferent to the importance of a municipal activity in this behalf, and some of them have

The Problem of the Untouchables.

Of the education of girls.

The contribution of Municipalities towards secondary and technical education in Europe and in India.

even gone the length of making such secondary and technical education compulsory and free, while some others even help largely deserving students by means of exhibitions. Berlin has 29 higher schools of different types, 8 of which are lycaes for girls; Dresden has 12 and Leipzig 11. In the Berlin Municipal continuation schools, special classes for 40 occupational groups are provided, including apprentices and others engaged in building, metal clothing and food trades,—barbers, shop-assistants and unskilled labourers, with an aggregate attendance of 36,000.\* In India, the activity of the Municipal authority in such matters is conspicuous by its absence.

#### V.—Municipalities and University Education.

With the single exception of Frankfort in Germany, which aspired to possess a free municipal university of its own, but whose attempt was scotched by the Government before it could be realised, University Education is nowhere in Europe or India claimed to be the special privilege of the Municipality. And yet a moment's reflection would show that the Municipal authority is perhaps as well qualified as any other to look after the highest form of instruction, particularly in so far as University training takes a practical form and aims at supplying the particular need of the community it immediately caters for. With the highly industrialised cities of to-day, special research in all branches of modern science is a vital necessity; and one does not see why the University should not come within the influence of the prevailing needs of the city population. The University must, of course, be as independent and autonomous a corporation as the Municipality; but that is no reason why the two should remain in mutually exclusive water-tight compartments. The reconstructed universities of India would do well to consider the feasibility of a closer and more intimate relationship with the Municipal authorities and civic requirements; and the latter would be only serving themselves if they assist, by every means in their power, the development of the University.

## CHAPTER X.

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### SUMMARY OF RECOMMENDATIONS.

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The whole of Book II may be summarised in a single sentence. For a proper development of Municipal sentiment, for a full-blooded enjoyment of civic life, there must be such an all-round extension and expansion of Municipal functions as would affect, improve and brighten every facet of civic life, and satisfy every aspect of the citizen needs. The traditional quartette of civic functions :— Public Health, Public Safety, Public Convenience, and Public Instruction is no doubt capable of expansion sufficiently to embrace many of the requirements of modern city life ; but the pointed exclusion of all powers of Watch and Ward, or Police ; and of all obligations in regard to Public Charity, makes the every day work of the Indian Municipality lifeless and insipid, if not exacting and exhausting, to just those classes of workers who are socially as well as temperamentally likely to take an interest into civic administration, with advantage to the city. Accordingly, Municipal Functions in India will have to be so expanded at the earliest opportunity as to embrace these prime requisites for infusing a degree of enthusiasm and interest which are nowadays conspicuous by their absence. To this end, the powers of the city authorities may have to be increased, and their constitution redrafted in accordance.

Amongst the existing functions, and their natural extension within the limits of the actual powers, the most important are those dealing with the Health of the city. In the threefold attention to the care of the Public Health :—by means of Precautionary and Preventive measures, as well as measures of treatment during actual illness,—the Municipality can take, and must take, a far greater share than has been the case hitherto. Hospital accommodation must be extended and improved so as to permit every ailing citizen to obtain proper medical attention and treatment, free of charge, if need be, and as a matter of civic right—not of private charity ; and the necessary correlatives of such improved amenities,—medical attendance and nursing,—will have to be supplied by the city in the same way. To achieve this, the Medical and Nursing profession must be municipalised, as also the supply of drugs, ligatures &c. For a practical and proper elaboration of a scheme of this kind, it would be advisable to introduce a compulsory system of Social Insurance under the ægis of the Municipality ; and as that Insurance will provide, by contributions from the workers as well as the employers and the Municipality itself, benefits to the insured in the event of emergency, the Municipality will necessarily socialize the medical profession. Here we may add that this kind of Social Insurance must provide, besides cash subsidies, medical attendance and treatment as well as nursing to every citizen

assured under the Civic Insurance system. For an economical operation of its medical and surgical service, the city authority would be well-advised to start its own drug-stores, and even manufacturies for the supply of municipal hospitals and dispensaries, and for sale at reasonable prices to private individuals. Nursing-homes and Sanatoria, as well as special hospitals for Infectious and Incurable Diseases will, of course, be a part of the general scheme of Social Insurance ; while a much closer study of and attention to School Hygiene and Disinfecting Service of the Municipality, will be made offshoots of the general public health department subsidised from the central municipal purse.

As aids to better health conditions, the municipality will have to pay more than the usual step-motherly attention to articles of food and drink. At present the Municipality contents itself with providing municipal markets and slaughter-houses, with a more or less perfunctory duty in the shape of inspection of food and drink supplied in the city. Co-operative effort in the distribution of daily requirements of the citizen's household has been attended with very great success in other parts of the world ; and there is no reason why this association of compulsorily co-operative consumers,—the citizens of a municipality,—may not repeat the experiment with the same success, if it embarks upon a system of municipal shop-keeping for the sale on easy terms of the principal articles of food and drink. Water has already been municipalised and monopolised ; and all we expect of the municipal authorities in this department of their activities is that the water supplied must be pure and abundant. If considerations of cost affect the supply of water in cities like Bombay, we would suggest the careful investigation of the possibility of utilising sea-water for at least part of the purposes for which water is consumed in a city. Articles of food can be similarly municipalised for sale on relatively easy terms, even if they be not monopolised ; and so the gravest danger to the health of the city, insufficient or impure food, would be in a great measure circumvented. And in this connection, it would be necessary to provide not merely sale depots for articles of food, but also municipal eating-houses and lodging houses, or hotels and restaurants if only as a sort of a model for the private keeper of such establishments to copy. The proper supervision by municipal agency of hawkers of food-stuffs would, of course, be a branch of this activity. If considerations of economy intrude themselves, here also, the municipality might find itself well-advised to start its own farms and fisheries and orchards and tea-gardens, just as the Co-operative Wholesale Society is doing for its own clientele.

In connection with the supervision of food and drink, a particular recommendation relates to a municipal organisation or enterprise on a large scale for providing the milk-supply of the city, pure and healthy, at reasonable prices, which, if only all the details of this business are properly attended to, should result in substantial profit to the municipality. Profit-earning ought, of course, never

to be the primary aim of any municipal institution, whose predominant object must be to render the maximum amount of service to the citizen in health and sickness; but where, incidentally, a municipal enterprise is capable of earning an income from the ordinary operation of that enterprise, and without sacrificing the requirement of service to the community we do not see why that revenue should be either sacrificed or not considered at all. The same must be said of projects of housing reform, which, in our judgment, rightly fall within the jurisdiction of the city authority only; and the usurpation of any portion of the work of housing reform, by Government Departments must be condemned in principle as likely to result in insupportable extravagance. The housing activities of the city, however, need not be conducted on the monopolist or profit-making principle exclusively; the city may quite properly share its housing reform activities and responsibilities with co-operative associations of citizens, while even private individuals or corporations, like employers of labour on a considerable scale, may be requisitioned to bear their share of the housing problem within the city. In conjunction with projects of improved housing, there must also be proposals for a better lay-out of the city, including its streets and squares and public places and parks and recreation grounds of all kinds, by means either of more minute building regulations or any other similar method of securing proper civic appearance. But considerations of economy, in this regard, have a predominating importance, so that the skill of the town-planner anxious to minister to the need for civic beauty is rightly measured by his ability to reconcile and harmonise the demands of aesthetics with those of economics.

As regards practical insurance against the occurrence of disease, comprised in such activities as the proper collection, removal and disposal of city waste of all kinds and conservancy measures in general, the Indian cities do not particularise meticulously the several kinds of city waste, nor try to obtain the utmost advantage for the city from such wastes, even while they are insuring the citizens against the horrors of such wastes. The collection of household refuse or *kutchra* is by no means so perfect as it might be, the appliances for storage as well as for removal leaving much to be desired in their suitability to the task in hand, and the promptness and regularity of the service involved. Far more drastic regulations for public cleanliness will have to be made, and a far more stringent observation of those conditions will have to be enforced, if we desire to bring up our cities to that degree of civic cleanliness which characterises the German city. And as for the city sewage, the collection by means of the so-called Shone system, and removal by the aid of gravitation or pumping to some central place for purification or treatment on land, with a view to provide fertilisers for the land thus treated, are not so universal but that the municipal authorities might do well to attend to such suggestions more closely. Even in cities where the collection, removal and disposal of the sewage have advanced from the pri-

mitive stage, attention to economy is not paid in anything like the degree it should be. Possibilities, from an agricultural point of view, of the land so reclaimed and fertilised, have to be tried in order to be appreciated fully ; but the experience of other cities in the world, like Paris or Berlin, leaves no room for doubt about the economic success of such expedient.

As for measures intended to promote Public Health in the city, perhaps the most successful would be of an educative character ; and hence the institution of regular lectures, with the aid of the Magic Lantern wherever necessary, on the nature, consequences and treatment of some of the commonest diseases in tropical cities, ought to be amongst the most prominent features of municipal activities. Similarly, the institution or multiplication of facilities for bathing and swimming to the citizens would, besides proving a source of untold benefit in recreation, contribute its quota and more for the general improvement of health conditions in the city, if only because of the promotion of personal cleanliness which such an institution would engender. And, in this connection we might also mention the need for a Municipal Laundry, which has been tried in other countries, and which might very well be tried in Indian cities, with their multitudinous occasions for the accumulation of dirt. Clothes washed in private laundries, which have no special incentive to guard against the spread of infection from infected clothes coming to them for washing, will never guarantee that degree of perfect cleanliness and healthfulness which a municipal laundry can guarantee ; while the pecuniary benefit, if any, resulting from such an enterprise, would be a decided contribution to the public exchequer of the city.

Amongst Municipal Functions relating to the intellectual and moral health of the city, Indian municipalities would do well to copy, in this regard also, the German model and undertake energetically that promotion of the public interest and enlightenment in the drama and the music, which can only result by the municipalisation of the enterprise of spectacular representation for public recreation. If municipal ownership of theatres and picture places does not commend itself all at once to the city fathers in this country, there would be no harm their beginning with subsidisation of approved enterprises in this department ; and when once the results of the subsidy have manifested themselves in the marked improvement of the character of such productions and representations as well as in the tone of the public sentiment in that behalf, the city Fathers will not perhaps hesitate to embark on a general programme of active municipalisation in this department as well. On the other hand, educational work strictly so described, and conveyed through the schools and the colleges and the libraries and the museums, is very slenderly done by the Indian municipalities, largely because of the severe restriction of its resources and powers in that connection. Education of the civic community ought to be made a purely municipal function in all branches and stages ; and if the Government as representing the community in

general desires to have a hand in the matter, it can best serve the interests of the community by subsidising the municipality in its campaign against ignorance. In India, the most advanced municipalities seldom command the full and undisputed control of even the most elementary education within their jurisdiction. It is necessary that they be given sole charge of the secondary and technical instruction; and if the existing interest and privileges of specialised corporations like the University, particularly devoted to the cause of higher education, would not permit the Municipality to take over that branch of the educational activities of the civic community, it would do well, in its own interests as well as the interests of education of all kinds to join hands with and work in concert with the specialised bodies like the University. Mass education of the illiterate citizens must also be planned for similarly by the University and the Municipal Corporation working in close co-operation and understanding, so that the results of the highest learning might be made accessible by the masters in each department of learning to the people at large, at least in so far as they are affected in their everyday life.

Indian cities as already remarked, are debarred from having any voice in the administration of public charities. Charity in India is still a wholly private, personal manifestation. Necessarily, therefore, it tends to be dissipated and disorganised. Municipal action might co-ordinate all charities, and bring them to bear much more effectively, not only on the problem of destitution, but also on those other less perceived manifestations of that problem, which have compelled municipalities in the western world to devise methods of securing proper guardianship of illegitimate, deserted or orphaned children, or provide special care and shelter and means of rising to the so-called fallen women, or regulate with an eye to moral cleanliness the "White Slave Traffic." In regard to men also, and particularly the poorer section of the community, the municipality can and should run its own Labour Exchanges, and so secure reemployment to all able-bodied or willing workers unemployed through no particular fault of their own. And to help them through the period of temporary unemployment, and to facilitate their mobilising and realising such property as might serve them at pinch, the institution of municipal Pawn Shops would be a great boon, if the city regulations for the working of such institutions are drawn up with sympathy and understanding of the hardships of such a class. Pawnshops of this kind are also not unfamiliar in other countries, though Municipal Banks are still rather unfamiliar; but that is no reason why experiments in municipal banking should not be commenced in India. Conjointly with the scheme of a municipalised system of Social or Industrial Insurance, the institution of a Municipal Bank doing all the ordinary banking business of the city and its several industrial and commercial enterprises indicated in this book, cannot but prove as obvious a necessity as it would be of unquestionable benefit.



In the department of Public Safety, measures are included which have a dual character, in that they either pertain to public convenience or to Public Health as well as to Public Safety. Thus the illumination at nights of the public streets and squares and buildings of all kinds, viewed from the standpoint of facility in traffic regulation, may appear merely a matter of convenience, while considered as a kind of protection to the citizen against the dangers of darkness, it will appear simply as a question of Public Safety. The lighting question is further complicated by the problem of the ownership and management of the illuminating agent:—gas or electricity,—which is also a source of power. The Municipality will render the most effective service to the citizens, in their homes, their streets, their public places as well as in their industries, if this great factor, in modern civilised life is owned and worked by the municipality, in stead of making arrangements with private, profit-seeking companies.

The licensing authority of the Municipality, especially in regard to the sale of articles of food and drink, must be stiffened, and exercised with much greater attention. The complication of reducing and abolishing the consumption of a deleterious character by means of a strict exercise of the licensing powers can be and should be avoided by means of establishing a rigorous municipal monopoly in all articles of a questionable or harmful consumption. Police authority in the municipality should, as already observed, be made very much more extensive in India, including the powers of what is known elsewhere as the *Police de Mœurs*. A City detective establishment may also be added in view of the local character of modern crime, though in this connection machinery will have to be created for co-operation and co-ordination between the municipal and state police forces. Municipal Courts, which are all but unknown in India to-day,—with the exception of Calcutta, which has a force of Municipal magistrates,—must be created to make more directly effective the police powers of the City, as well as the corrective activities of the municipality, particularly in regard to Juvenile Offenders.

**Safety First.**—Measures, necessary under conditions of modern fast traffic in the cities, will also have to be evolved in this country in direct co-operation with the Police force of the city. Fire Brigades and Salvage Corps, now entertained by some municipalities, singly or in conjunction with the Insurance companies working in the city, ought to be unexceptionally municipalised; and the full benefit of such outlay by the Municipality should be secured to that body by the addition to the Municipal Insurance Scheme already referred to of the department of Fire Insurance. There is every likelihood of considerable profit in this activity. Again, the Building Regulations of the Municipal Authority should be redrafted as much from the point of view of securing to every class of citizens the utmost benefit of all the available civic amenities and human necessities in the shape of light and air and space, as also from the standpoint of adequate protection against this common danger of modern civic existence.

These regulations, particularly in that section which relates to habitations unfit for human use, or those overcrowded, or those used for immoral purposes, will have to be stiffened and humanised; while regulations relating to the buildings devoted to Dangerous Trades and Offensive Industries will form portion of the general business of proper Town-Planning, which ought to be very particularly attended to by the municipality. Reclamation of unhealthy or insanitary areas, which is nowadays entrusted to bodies other than the municipality, should also be brought exclusively under the civic authority.

**Public Convenience.**—Civic functions in this group include, as the most prominent illustration, the means of transport. All the means of goods and passenger transportation within the city must unquestionably be operated by the municipal authority, as much for the sake of improved conditions of living, or as a measure of decongestion, as for the sake of rendering the utmost possible benefit to the community at the lowest possible cost. To achieve this, all forms of transportation,—road and rail and water, as well as underground and overhead means of transportation,—must be co-ordinated and exploited with a common purpose. The existing means could well be used to provide that common facility for the conveyance of small parcels of shopping activities by the individual citizens, on the postal principle of uniform charging, which is a common feature in European and American cities, but which is entirely and unnecessarily neglected in this country. With a very small extra cost, the tram cars, for examples, could be utilised in the slack hours of night for the conveyance of parcels; or by improvement in structure and design, even in day-time. The immediate Municipalisation of the Telephone is a crying necessity of civic life in India, which may be delayed by the vested interests of existing corporations, but the inherent justice of which suggestion can never be questioned.

We have referred, in another connection, to the need of the city becoming a Common Guardian of deserted, orphaned or illegitimate children; and here we might add a corresponding function in the shape of the city becoming the poor man's lawyer, and the business man's or the ordinary student's and visitor's advice or information bureau. This is somewhat unfamiliar; but for cities, which, like Bombay or Calcutta, have a constant stream of visitors from abroad, the assumption of the duties of the guide and the information bureau,—not to mention the tourist agency,—will be a great boon.

**Public Education.**—The need for and the advisability of the city taking a far more active and extensive part in the provision of educational facilities to the city's population, both as regards the ordinary school-going people and as regards the masses in general, has already been referred to; and here we need only repeat or emphasise the immediate need for the municipalities instituting respectable and easily accessible libraries, museums, art galleries, of untold benefit to the people of the city.

# BOOK III.

## MUNICIPAL FINANCE.

### CHAPTER I.

#### PRINCIPLES AND CHARACTERISTICS OF MUNICIPAL FINANCE.

##### I.—Distinction between National and Local Finance.

Correlation  
of Burden and  
Benefit

We have already accepted the principle, in the previous portions of this work, that Municipalities are representatives and delegates of the State or sovereign authority within a community, functioning for the benefit of that community. As such, it would be not at all unreasonable if the uninitiated reader should jump to the conclusion that Municipal Finance is part of the National or Public Finance, and that it ought to be considered as such. Nevertheless there are important, essential differences between Municipal and National Finance, including in the latter term, the finance of the intermediate state authorities in federal governments, such as the several states of the United States, or the different provinces of India. There is considerable material difference in the objects, and resources, there is a radical difference in the powers and the responsibilities, of the local or municipal as contrasted with the state or the national authority. The national government has to provide for several departments of state like armaments, for example, which may not be of immediate local benefit, but which still require a considerable amount to be expended upon them for reasons of historical or international significance. It has also to provide for unproductive departments which are legacies of the irrevocable, irremediable past,—e.g. the Interest charge for loans contracted in the past,—the like of which the local authority of the Municipality has seldom to be responsible for. It is true that the Municipal authority has also to provide for expenditure which does not seem directly productive: that as the sentiment of collective life advances, as the appreciation of common benefit from mutual service deepens, such items of expenditure will be on the increase in the Municipal Budget. But in the case of Municipal expenditure, it must be remembered, that though there may be no direct monetary return in proportion to the outlay, the benefits derived from projects connected with the Public Health of the City, or Public Instruction, for example, are so unmeasurable that the civilized humanity, the enlightened outlook of political communities is broad enough not to grudge any outlay upon such heads of great public benefit. In Municipal Finance, therefore, it is possible to establish a direct correlation between expenditure and benefit,—it is even

possible to establish such a correlation between the individual citizen's burden and his own particular benefit, as we shall see later on,—which it is all but impossible to effect in the larger scale of national finance. In National as well as in Municipal finance, the aim of the financier must always be to plan out every item of expenditure so as to make burdens and benefits balance as far as possible. But the force of circumstances, the logic of international relations is stronger in national councils; and so in national finance it may not always be possible to insist upon a direct correlation between the burden imposed by way of taxations or other revenues of the state and the benefits received by the citizen. There are no such compelling considerations in municipal finance, and hence the difference we have noted above.

There is another difference in the ultimate objective of financing according Taxation vs.  
Service Surplus as it is Municipal or National Finance, which is well worth emphasising. The National financier is assured always of a general support for his policy by the entire community,—or at least by a great majority thereof. He plans for the whole people, and as such may safely embark, by means of his all but unrestricted powers of taxation, upon problems and projects of redistributing the national wealth, whose inequalities weigh like fetters upon the productive energy and so upon the general welfare of the community. A tax is a compulsory contribution from the citizen, entirely irrespective of the benefit received by him from the activities of the State in particular departments, or collectively even, and made acceptable and justifiable at all because of the crude attempts now in vogue to apportion taxation to the ability of the tax-paying citizen. But, however much it may be camouflaged, however much the financier may try to make it just in incidence, light in pressure, convenient in assessment and collection, the fact nevertheless must remain, **that every tax is a deduction from the wealth of the private individual.** In levying taxes, the State acts as the highway man on a large scale. This is a hard saying, and may shock the susceptibilities of the orthodox financier no less than of the orthodox politician; but it is strictly accurate. If taxation is utilised, in spite of its imperfections, as a means of bringing about a more equitable, if not an equal, distribution of wealth, the robbery may become excusable in the eyes of the large majority in modern individualistic communities, where the majorities are invariably paupers. But just as taxation may be utilised for this laudable purpose of securing a silent redistribution of wealth, so too it may be used for purposes of an equally unobtrusive benefitting of specially favoured classes. Modern democracies have abolished the privileged classes, which were formerly excluded from the tax-burdens of the community by their birth right.\* But it has created, or at least it tole-

\*The rules regarding the taxation of Brahmins given in the ancient Indian law-books, (cp. Manu VII, 133) and those of the Noblesse and the Clergy under the *Ancien Regime* in France before the Revolution, may be cited as examples. In modern times, state officials are exempted in Germany from local taxes under more or less flimsy pretexts. Cp. Dawson; Op. Cit. p. 324-325.

rates, the no less invidious and privileged position of the officials in certain countries, and of that large number of persons, who, being called on to pay certain taxes, are in a position to shift their burden entirely to other shoulders than their own. Municipalities, however, cannot command such extraordinary powers as would enable them to meddle with the established order of society, and seek to alter or undermine it by means of their powers of taxation. Municipal taxation, and municipal finance, therefore, has to be designed so as to emphasise the service or the benefit of each particular municipal activity paid for out of the proceeds of municipal taxation in general. This does not mean, of course, that municipal activities or the benefit thereof shall be confined only to those who can afford to pay for them. The correlation of burden and benefit is a feature of municipal financing only in so far as to secure justice in the apportionment of the burdens, so that those who do benefit directly, immediately, unquestionably, from a particular municipal enterprise, may at least bear their share of the cost of this betterment.\* It does not and cannot be used to prevent municipal improvements, to obstruct municipal progress, on the ground that any particular beneficial activity is impossible to be financed by the contributions of the direct beneficiaries, the class of such beneficiaries being impossible to determine exactly.

Municipal  
Revenues an  
addition to the  
citizen's wel-  
fare.

All that the Municipality can and usually does do is to see that its projects of municipal improvement, its enterprise of local service, its activities of civic benefit go on unchecked. Such benefits may incidentally result in a substantial modification of the scheme of wealth distribution, not only by the Municipality appropriating to itself the avenues of profit-making out of the opportunities of service to the citizens, instead of leaving such avenues to private greed and profit-seeking enterprise; but also and particularly by the municipality so conducting such services of public utility as to give the utmost predominance to the idea of service in absolute preference to the idea of pecuniary gain. Richer by such service, the citizen may have a greater stock of real wealth or welfare, though his nominal stock, as represented or expressed in terms of the money income or money-wealth, may be quite unaffected. If this results in an undermining of the existing inequitable order of society, it will be so indirectly and unobtrusively; and the Municipalities have, even under the restricted powers assigned to those bodies in this country, innumerable opportunities of carrying out such a beneficial policy.

Taxation to  
be Minimised  
in municipal  
Finance.

In considering these differences in the objects and purposes of financing in Municipalities and in the National Government, we have incidentally indicated the difference also in resources. The modern individualist state depends more

\* The widening and beautifying of a street, and the consequent benefit to the property-owners along that street, may be cited as an example. The special "Betterment Taxes" are quite a feature in the municipal finance of many European countries; and great projects of extensive Municipal improvements are financed almost wholly by this form of taxation. The taxing authority has also been empowered to render it impossible for any private individual to obstruct the scheme of general improvement due to his personal greed.

and more upon taxation as the greatest single instrument for a periodical replenishment of its Exchequer. This is not the place to discuss the merits or demerits of the system of taxation in general, or of any specific tax-system in particular. But the analogy between taxation and highway robbery, already given, though somewhat crude and shocking, represents or reflects correctly the present enlightened outlook upon taxation in general. Of course, the State as a whole has also resources other than taxation; and particular branches of its revenues may quite possibly evidence a direct relationship between the burden imposed and the benefit received. But by far the greatest source of income to the national authority is usually, in modern states, compulsory contributions of the nature, if not also the name, of taxation. On the other hand, the greater portion of Municipal income is or should be from services of specific benefit to the citizens. Taxation, i.e. an arbitrary, absolute demand for a compulsory contribution, irrespective of any question of the benefit received, must be reduced to the absolute minimum, if not altogether abolished.

The power of the State in the matter of resources is also and necessarily greater than that of the municipality. Both the variety and the magnitude of the resources at the disposal of the National Government are greater than the corresponding features in the revenue resources of the Municipal authority. The restraint imposed by the central authority on municipalities is in no other department so great as in that of multiplying or modifying the revenue resources of the Municipality. And though the convinced or fanatical advocate of Municipal autonomy may insist on abolishing these powers of restraint, in the interests of the nation as a whole, there would be found to be ample justification for such restraints, provided always that the national authority is trusted and trustworthy.

Mention of these restraints leads us directly to the consideration of the difference in responsibility between the National and the Municipal Governments in matters of finance. Speaking only of India and Indian conditions for the present, the greatest degree of responsibility of the Indian Government is towards the Secretary of State for India in Britain, as representative of the British Parliament, and through it of the Indian people. The Central Indian Government, under the existing constitution, does not depend on its Budget as a whole being passed by the central Indian Legislature. The Governor-General can always certify and restore any item which the Assembly has rejected. In the Provincial Governments, there is a pretext of financial responsibility towards the local Legislature, which is entrusted with a measure of authority in passing the Budget; but even here the supreme and final responsibility rests, truly speaking, with the Executive. Otherwise, there would be no explanation of the powers of the Executive head of the Local Government for passing the Budget over the head of a refractory Legislature. In the case of the Municipality, on the other hand, the responsibility is dual, if not divided. The Budget making authority has first and

Restricted Resources

Difference in Responsibility.

primary responsibility towards the Municipal Corporation as a whole, which, we may take it, considers itself responsible to the electors electing the individual members to the corporation. The primary responsibility is thus, in the real spirit of Municipal Government even in this country, to the city sovereign, the citizens collectively. But the much greater, more direct, more effective responsibility seems to be towards the Local Government, who seem to have reserved for themselves vast powers of final sanction and initial approval, and actual carrying out of stated operations over the head of the Municipality in extreme cases. These powers may be exceptional; they may be justified on the score of political expediency as a transitional measure, pending the full appreciation and understanding of its responsibilities by the Municipal sovereign. But they none the less constitute a dual responsibility, which cannot be conducive to the development of a sense of efficiency in the municipalities concerned. We would, therefore, advocate the complete concentration of responsibility in municipal finance in the Municipal Corporation or the Council, which will then be responsible only to the Municipal sovereign. But we shall have occasion to elaborate this point further in the chapter dealing specifically with Budget-making in Municipalities.

## II.—Distinction between Municipal Finance and Private Corporation Finance.

Municipal vs.  
private Corpo-  
ration Finance.  
Profit vs. Ser-  
vice

If Municipal Finance differs from National Finance in the essential particulars of the objects, resources and responsibilities, it differs no less essentially from the finance of private corporations, industrial or commercial. Municipal Finance is so far of the nature of public finance in general that its object is not primarily gain, but service. In the case of the private corporation, on the other hand, the all-important object is the profit to the corporation. Even where the Municipal authority trades in the vend of public utilities or conveniences or necessities, it is expected to consider primarily the benefit it can thereby confer upon the citizen; and only incidentally the benefit that might accrue to its own exchequer. It may be that a private corporation is also sometimes obliged to carry on its existence even at a loss rather than close down. But this is utterly exceptional, and happens, if at all, in spite of the directors of such corporations; and then, too, as a result of their hopes of subsequent gain sufficient to wipe off these losses. Any trading enterprise,\* which the Municipality decides to carry on itself, must be such as would result under municipal enterprise in a direct or indirect benefit to the citizens, greater than the corresponding benefit available under the private regime. There would be otherwise no justification for municipal inroads in the domain of industry and commerce.

But the distinction between Municipal finance and that of the private corporation is not confined to this difference in the main-objective. It is a difference

\* In this comprehensive term, we include all those enterprises, whether manufacturing or only commercial as accessories to industry proper, which are ordinarily conducted under the individualist regime, with production for exchange, as the motto and the guiding principle, instead of production for consumption as it would be under municipal conduct of the same industry.

parallel to that between all public finance and all private finance which is crystallised in the following summary from the "Sixty Years of Indian Finance."

The total amount of public expenditure being ultimately dependent on the wealth of the country, it might be felt as though the same canons which apply to the expenditure of private incomes apply to that of the public revenues. It is, indeed, as much true of the individual as of the State that the excess of expenditure over income, if it continues for a long time, might cause anxiety. But in spite of this similarity, there are many and more radical differences. Every private individual of intelligence and regular habits ought to make, at the commencement of each year, an estimate of his revenue and expenditure, on the model of the public Budget. As a rule, private individuals are spared the trouble, as their income and expenditure are very nearly fixed and equal. But in the case of the State, such an estimate in advance is not only useful: it is indispensable. The sums raised and spent by a first class modern State are so vast, that without a careful estimate, mistakes, confusion and waste would be unavoidable. Again, an individual is almost absolute master of his income. He need not render any account. If he finds his expenditure habitually outrunning his income, the dread of the prison, or of the refusal of his banker any more to accommodate him, would automatically induce him to cut his coat according to his cloth. Governments, on the contrary, receive and spend on behalf of others—the Tax-payer. Having little interest in economy and every inducement to be prodigal in the interests of the ruling class, they are more likely to err on the side of profusion. In the case of the individual, moreover, the side of the balance sheet over which he has least control is the side of income. In the public Budget, the part which is considered to be least admitting of variation, is the side of expenditure. Hence, while an individual must regulate his expenditure according to his income, the State, generally speaking, finds the determining factor in its expenditure.

There are still other and more vital points of difference between the individual and the public Budget. The laws of society effectively restrict the individual in his search for an income, but the sovereign State admits of no restraint on its actions save those of its own will. The objects, besides, for which the State makes such claims, are incapable of an objective appraisal. Its area of operations is not restricted by any considerations of profit or returns. If a proper balance is established between the receipts and expenditure, it is all that the State desires. If there is a difference, the State would more frequently have an excess of expenditure than a superabundance of revenues.\* A repeated surplus of income over

\* Cp. Adams *Public Debts* (pp. 78-83) arguing in favour of deficits. Also, Dewey, *Financial History of the United States* describing the difficulties of the United States with their large surplus during 1885-1890.

Cp. *Sixty Years of Indian Finance* cit. pp. 38-39.



expenditure gives rise to possibilities of waste, compared to which the evils of temporary borrowing to adjust the balance would be insignificant.

Responsibility  
the State:

Besides the difference in objects and methods noted above between private finance and public finance in general, there are other differences between the financing of large industrial and commercial corporations of to-day,—commonly known as joint stock companies,—and the Municipal corporations as delegates or representatives of the sovereign authority, with sovereign powers within their jurisdiction. Their responsibilities are also different. The ultimate responsibility of the managers and directors in a private corporation is towards the proprietors of the concern, while the final responsibility of the Municipal Corporation is due to the local sovereign, and may be claimed in their name or on their behalf by the Local Government. The private Corporation is satisfied with the fulfilment of its ordinary goal: making profit from its activities, and so arranging its finances as to minister most effectively to this goal. The Municipal Corporation has to think primarily of the benefit likely to result from its activities. In this, further, their resources differ. The private corporation can only rely on the proceeds of the sale of the commodity it vends,—whatever that may be; and in the interval between its marketing of the commodity,—or even of its manufacture,—and the receipt of the proceeds in terms of money from the purchaser, it must carry on its existence by utilising its credit wherever and whenever necessary and possible. The use of credit is permissible, and often resorted to, in case of the expansion or extension of the functions of the private Corporation, *e.g.* by Debentures, or proprietary rights of a limited character by means of Preference Share Capital. The use of credit is open also to the Municipal Corporation, and, far more often than private corporations, these public bodies nowadays avail themselves of such easy methods of financing their activities or extension thereof. In fact, as we shall endeavour to show later on in this Book, the use of credit so as to shift the obligation of the present generation to another succeeding generation, which may not be deriving due benefit from the undertaking of any particular loan by a Municipality,—is becoming, in our judgment, more extensive than desirable. Besides, we are afraid, attention is not paid sufficiently to the possibility of financing additional Municipal activities in such a way as to confine the burden of borrowing as nearly as may be to the generation that immediately benefits from such activities. The German theory that Municipal taxation shall be resorted to only when the ordinary receipts, including those from Municipal enterprise, fail to balance the Municipal Budget, is, in our opinion, a most salutary principle; and ought to be impressed on the Municipal financier far more rigorously than is the case at present. But meanwhile, the ability of Municipal corporations to make good their budget deficits from tax-receipts, which have little or no correlation with the benefit received from the extra activity necessitating such taxation, marks a most particular difference between Municipal and private corporation finance.

### III.—Evolution of Municipal Finance.

A glance at the history of Municipal Finance will also serve to make clear the <sup>Difference in</sup> differences we have been noting. In many European countries, Municipal finance had come to be understood and standardised, long before national finance came to be understood in a like manner. The sources of Municipal revenues and the objects of Municipal expenditure, as well as the modes of balancing the two sides of the Municipal accounts, were pretty well-known. Subsequent legislation, particularly that of the last hundred years, has made considerable modifications. The extensive and increasing scope of municipal trading of all sorts resulting in ever increasing expenditure but still more rapidly growing revenue to the Municipality is clearly of very recent origin. But the main lines of Municipal financing were laid down centuries ago; and they are followed even to-day in their essential particulars. In India, on the other hand, the Municipal corporations in their present form are of very recent origin,—the creation in fact of the British Rule in the country,—the child, we may say, of the necessity of introducing some sort of a devolution of responsibility, or rather of administrative functions\* which had become unhealthily crowded. It, therefore, viewed with a certain amount of latent distrust and tacit suspicion, the devolution of taxing authority it was obliged to concede to the newly created municipal bodies; and hence it not only prescribed very stringent rules regarding the objects and purposes for which municipal resources could be used, but also imposed rigid restrictions on any expansion of the activities of the Municipality, which may very likely bring to it additional revenues making it independent of Government subventions altogether. Subsidies from the central exchequer are an important feature of Municipal finance in many advanced countries; and at the best, these subsidies involve some sacrifice of municipal autonomy or independence, vis-a-vis the central government. But the sting of these subventions in India lies in the fact that outside the Presidency and some of the leading municipalities in the country, most of these institutions are practically dependent for their very existence upon the Government subventions, and that a good many of the prime functions of municipal government are made dependent upon the regular payment of these subsidies. In European countries, particularly Germany, municipalities seem to be at liberty to undertake any function, trading or otherwise, which is not specially prohibited; and the tendency there is for a constant expansion of Municipal trading enterprise resulting, on the whole, in extensive profits. Even in Britain, where each new municipal activity has to be specifically legalised by a special Act of Parliament,—a most costly procedure,—the activities of Municipalities are on the increase. In India, on the other hand, the provisions relating to such expansion are so rigorously interpreted: Government are often so inclined to revenge themselves upon the heads of the unoffending municipality for any check they may have met with in their own financing

proposals in their own Legislative Councils\* that the chance of such expansion, even in the primary functions assigned to Municipalities, is reduced to the irreducible minimum. †

#### IV.—Social aspect of Municipal Finance.

Indirect effect  
of Municipal  
Taxation.

Like National Finance, and unlike Private Finance, the Finance of Municipalities has an important social aspect, both on the revenue and on the expenditure side, which ought also to be mentioned particularly in this connection. True, the Municipal authority is not entrusted, as a rule, with powers of taxation which would enable it to use that weapon for effecting a gradual redistribution of the wealth of the municipal community, though many a country allows the Municipal body to levy a local Income Tax, which can be manipulated in some such direction. But the Municipal authority has very frequently the power to tax,—and tax substantially,—articles, the consumption of which may be considered to be deleterious to public health or morals; and through these taxes, even on the revenue side, municipal finance may have an important bearing on social conditions within the city. It is, indeed, never safe, and seldom advisable, to rely entirely on the effect of taxation for the eradication of a vice or a dangerous habit or a pernicious activity. Often, such a policy may only end in making the municipality a silent and unwilling partner in the excesses which the progress of the habit intended to be checked by the tax-burden engenders. The surest way

\* The resources placed at the disposal of the Municipal authority by the successive resolutions on Local Self-Government do not show any material variation; but the scantiness of those resources for the task assigned to the local authority is amply testified to by those who have studied Municipal History in this country. See particularly *Municipal Calcutta* by S. W. Goode, and *Bombay Municipal Government* by D. E. Wachha. Says the former: "The genesis and development of the House-rate has already been described, and reference has been made to the tax on carriages, carts and horses first introduced in 1847, then abolished in 1852 and reimposed in 1856. Act XVI of 1847 also supplemented the revenues by authorising license fees for scaffolding sunshades, public latrines, illuminations &c. In 1866, the Commissioners were empowered to levy a drainage rate not exceeding 2½ per cent. of the annual value of all lands and houses and a lighting rate of 2 per cent. The Tax on Trades and Professions was introduced in 1863, and the same Act authorised a water-rate on a sliding scale, varying from 2 to 5 per cent. on building, and a fixed annual rate of 12 annas 10 pies for every kotha of land occupied by huts. Fees for the registration of cattle shed were levied in 1877, and for the offensive trades and meat-shops in 1857, while the former were supplemented by the scavenging tax, first imposed in 1901-2. The Police rate, imposed under Act XI of 1867, was limited to 3 per cent. of the annual value of lands and houses and was payable by the occupiers.

† An Elementary Education Fund was constituted from the beginning of the year. The Council recommended that a tax of 4.225% of the taxation leviable under "Property Tax" be levied for education purposes under Section 34 (1) of the Elementary Education Act and that the rate of property tax be correspondingly reduced from 18¼% to 17¾%. The income anticipated from this source, together with the grant of an equal amount payable by Government, was taken into account in preparing the Budget Estimate for 1922-23; and liberal provision was made for the expansion of elementary education in the city. But Government, in their order No. 971 (Education) dated 16th August 1922, expressed their inability to sanction the above proposal for the reason that it did not appear to be in consonance with the spirit of the Elementary Education Act, since there was no express undertaking on the part of the Corporation to contribute from its general revenues the amount usually spent by it on elementary education and to utilise the proceeds of the education tax only to provide for additional expenditure for the purpose of expansion of education by opening new schools etc. The amount provided for the acquisition of fresh sites and the construction of new schools had consequently to be considerably cut down.

or stamping out an unhealthy or immoral habit or activity,—e.g. the keeping of houses of ill-repute for gamblers and worse,—would be for the Municipality to entirely and rigorously control the whole supply, as to be able, if and when it is so decided, to switch off the supply altogether. But, pending the acquisition or use of such radical powers, it is necessary to note that the existing powers of taxation do even now permit municipal revenues to exert a social influence, though of course in an indirect manner.

But it is in the expenditure of Municipalities that we discover the most direct bearing on social conditions, the most effective means of bringing about social reform. Municipal activities on behalf of education, sanitation, and all other means of public convenience and safety, though open equally to all the members of the civic community, are actually availed of in very different proportions by the several classes inhabiting the city. If only the Municipality follows an enlightened policy of public interest exclusively pursued, the benefits received by the poorer section of the civic community would be, in all probability, greater than the burden imposed upon or borne by them; and, in consequence of the benefit thus received, the poorer classes would be better able to stand the strain of the struggle for existence in our individualistically organised Society. The increase and multiplication of the services rendered by the Municipality would improve the ability and energy of all sections, but more particularly of those who would, in the absence of such collective efforts, be unable to provide for themselves anything like the degree of human comfort that every human being ought to be entitled to as a matter of his civic birth-right. Moreover, by such an increase of the services rendered to the community by its collective organisation in the Municipality, by the emphasis on service as distinguished from gain or profit, which is the hallmark of individualist organisations, the Municipality would be effecting an imperceptible but an immense change in the very outlook of the people, and so silently educating them out of individualism into collectivism. The tyranny of shams is very great; but that of labels is no less. If we avowedly desire the Municipality to be made an organisation for the collective effort to realise the common goal; if we simply style the Municipality as a mere mechanism for the attainment of socialised life, it is conceivable there may be an immense opposition to the idea. But the silent force of steady endeavour, without tom-tom or hall-marks, is not without effect; and as an illustration, we need only mention the single instance of the German Municipalities, which were and are the most socialised communities imaginable in the midst of a most blatantly individualist and even militarist State.\*

\* There are, in the German conception of the city government, no limits whatever to the municipal functions.....This conception must be carefully distinguished from socialism with which it is not necessarily in harmony. A concrete illustration will perhaps help to make the difference clear. In 1893, the municipal government of Stuttgart decided that the city should construct, own and operate electric lighting works. An investigating Committee

## V.—Limitations on Municipal Finance.

**Restrictions.**

In spite of these possibilities, latent or patent, Municipal Finance labours under severe restrictions or limitations, imposed in what is often regarded as the general interest of the nation as a whole. The limitations imposed by the constituent legislation, passed by the sovereign legislature in the country, upon the taxation and the borrowing powers of the municipalities, have already been mentioned, and may be noted again in this place as evidencing the restricted scope afforded to municipal activities. The national Legislature naturally professes to act in the name of the nation at large, and the municipal insistence on powers which the sovereign legislature is not prepared to concede to it, will only succeed in showing the Municipality to be an advocate of sectional interests only. The provisions, moreover, of a supervising or controlling nature, reserved in the central executive authority, also claim the same origin or the same justification; but at the same time constitute a similar limitation upon the financial scope of the municipality. These also have been referred to before, and will be discussed more fully, later, in an appropriate place. But a limitation of municipal activities, which is commonly not noticed, but which is as effective as any we have noticed hitherto, is that arising out of the unavoidable implication of the growth of private or vested interests. So far as these vested interests have to be respected,—whether they are interests of the intoxicating drug traffickers, or those of profit-making private corporations licensed to deal in public utility services,—the Municipality must suffer a most woful check in its beneficent activities. For the vested interest will either block the way to reform, if the reform is subversive eventually or immediately of its vested rights, or demand an unconscionable consideration in the disguise of compensation, which it may not be within the ability of the Municipal authority to concede. A policy of quiet supercession or autocratic suppression of such interests will not commend itself to the thinking portion of a community, which is unable to see the justice of such a policy. And so the most powerful but the least noticeable obstruction to the progress of municipal development is the might of the vested interest of the landlord and the property-owner of every description, which the Municipality often finds itself unable, in the absence of sufficient enlightenment of the public or the civic conscience, to overcome. The municipality must of course be held to be helpless in the face of the existing interests—but it must take warning and desist from creating any new ones which may block its progress and development at a later stage.

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*(Continued from previous page)*

had reported in favour of giving a franchise for a term of years to a private company. The question was decided adversely to the committee's report by a vote of 13 to 12 in the council of magistrates. It was purely a question of business judgment. Socialism would have demanded municipal ownership and operation, because socialism is at war with private capital. But the Stuttgart Council was dealing with a question of practical finance, on behalf of the community. . . . So far as I am aware, the theories of Socialism did not materially influence either group in the Stuttgart council. . . . If any one chooses to call this sort of thing a plunge into socialism, it would probably be idle and profitless to quarrel with his use of a much abused word." Dr. Shaw: Op. Cit. p.p. 322-327,

## VI.—General Plan of Book III.

These introductory observations would suffice, we trust, to explain the general plan of this Book III. of the present work. We shall discuss in the succeeding chapters first, the Expenditure of Municipalities, its characteristics and distribution, its consequences and possibilities for improvement, with a special chapter on the distribution of the municipal expenditure in India. We shall then take up the Revenue of the Municipalities, distinguishing between the several sorts, analysing their distinguishing characteristics, and estimating their consequences and incidence, with again a special chapter devoted to the study of the revenue resources of the Indian Municipalities, their improvement and amplification. Next will follow chapters dealing with the indebtedness of the municipalities, with some consideration of the principles of municipal borrowing and a study of the indebtedness of the Indian municipalities in particular. The Organisation of Municipal Finance, with the process of budget-making including the constitutional aspect of that process, and the system of auditing of the accounts of the municipality, will complete the detailed plan of this Book; and the work will be ended by a summary of the suggestions or recommendations made in the course of the discussion.

## CHAPTER II.

### MUNICIPAL EXPENDITURE.

#### I.—Why we take Expenditure first.

Importance  
of Expenditure.

The contrast between public and private expenditure, in general, that we have given above in the preceding Chapter, would suffice to explain to the reader why Expenditure is, in public finance of all kinds, the more important side. Its determining force is, if anything, even greater in Municipal and local finance generally than it is in the case of National Finance. For, in the case of Municipalities, the functions assigned to these bodies by a superior constituent authority, or assumed by them by force of historical circumstances, are of such immediate importance and benefit in the daily life of the citizens, that the wherewithal to discharge those functions will have to be found on pain of weakening and destroying public health and public intelligence within the municipal area. It may be that the functions assigned to or discharged by municipalities are more extensive in one country than in another, are more varied and expensive in one municipality than in another in the same country. It may be that one and the same Municipality may be obliged to reconsider its programme of activities, which are more onerous than profitable immediately, owing to the reduction or curtailment of its resources. But there is always an irreducible minimum of civic functions, which may vary according to the degree of civilisation and of communal consciousness in the different countries, which cannot be reconsidered with a view to curtailment; and to discharge this irreducible minimum of municipal functions, funds must be found, if not from the ordinary resources of the Municipality, then from borrowing; and if even this extraordinary resource fails, then from clear grants from some superior authority, or the charity of even private individuals. Granted that we do not want to disintegrate municipal institutions in our modern states, it is beyond question that expenditure will be the dictating force and consideration in Municipal Financing. Hence it is best to begin with a discussion of Municipal expenditure, the better to understand the extent and magnitude of the resources that must be called forth to satisfy these demands.

#### II.—Characteristics of Municipal Expenditure.

Steady  
Increase.

Taking Municipal Expenditure in general, it may be noted, in the first place, that Wagner's so-called law of a constant increase in expenditure\* appears

\* Wagner's "Law of the Increase of State Activities" has been thus explained by the author himself: "Comprehensive comparisons of different countries and different times show that, among progressive peoples,.....an increase regularly takes place in the activities of both the central and the local governments. This increase is both extensive and intensive: the central and local governments constantly undertake new functions, while they

to mark one of the most prominent characteristics of local expenditure in the last half-century.

According to the statistics given in Fairlie's *Municipal Administration* pp. 318-9, Local Expenditure, including Loan funds, in England and Wales and in France was :—

Year	Amount	Year	Amount
1868	£ 30,454,523	1869	Fr. 131,485,000 (For Paris only)
1883	„ 53,420,923	1881	„ 222,778,007 „ „ „
1893	„ 66,890,962	1891	„ 641,619,116 (For all Communes)
1899	„ 92,696,586	1899	„ 730,388,665 „ „ „

There was a corresponding increase visible in other European countries. In India, also, the same tendency is visible, as will be seen from the following statistics of Municipal Expenditure in the Presidency cities :—

Municipal Expenditure and Revenue (in lakhs of rupees.)

YEAR.	BOMBAY.		CALCUTTA.		MADRAS.	
	Revenue.	Expenditure.	Revenue.	Expenditure.	Revenue.	Expenditure.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1870	28.71	38.94	....	....	5.63	5.73
1880	32.51	30.57	34.33	32.79	9.31	9.44
1891-2	62.33	57.82	....	....	....	....
1901-2	77.66	82.26	60.19	68.29*	16.99	19.71*
1911-2	126.55	114.84	105.08	107.20	50.29	53.46
1921-2	201.43	202.02	158.74	172.34	59.20	58.16
1923-4	279.21	289.50	....	....	....	....

This great increase in municipal expenditure is, it must be remembered, only partially accompanied by a real, substantial increase in the services rendered or amenities of life supplied by Municipal activity. The increase in the cost of living, resulting in an all round increase in the cost of salaries and allowances to the staff accounts for no inconsiderable portion of the rise in municipal expenditure; and to this must also be added the still greater factor, at least in Indian municipalities, of the higher prices they have to pay for all their projects of civic improvement undertaken since the war and in the era of extraordinarily inflated prices. The usual safeguards of calling for tender and placing the contract for works in the cheapest market does not avail sufficiently to protect municipal funds, even where the Municipal executive

(Continued from previous page)

perform both old and new functions more efficiently and completely. In this way, the economic needs of the people, to an increasing extent and in a more satisfactory fashion, are satisfied by the central and local governments. The clear proof of this is found in the statistics which show the increased needs of central governments and local political units." Quoted in the *Selected Readings in Public Finance* by Bullock p. 32.

\* These figures are taken from the statement attached to the administration report of the Municipality for 1923-24; and for Calcutta and Madras from a variety of sources including statistical Abstracts and the Decennial Statement for Moral and Material Progress for 1901-11.



staff is the most efficient and conscientious that could possibly be found. The debates in the Bombay Municipal Corporations about the incident of the latest Water-supply extension scheme would serve to show how projects estimated originally to cost a given amount, and contracted for on that basis, have an incurable, inveterate tendency to go beyond the original estimates before they are finally completed. Then, again, there is the higher rate of interest which even the most solvent Municipality has to pay nowadays, owing to the consequences of the Great War upon the money market all over the country; and as the period since the close of the War has been marked by an unprecedented spurt of activity in civic developments which are alleged to have been held up or not thought of during or before the War, and which are generally agreed to be best financed out of borrowed funds instead of out of the current revenues; and as these projects in India are anything but reproductive, heavy obligations have been incurred by way of interest payments and sinking fund provisions in the leading Municipalities of India, which suggests but a very small proportion of the total increase in expenditure as being really due to a substantial expansion in the beneficent activities of the Municipality.

Ordinary vs.  
Extraordinary  
Expenditure.

Connected with this peculiarity of the present day expenditure of Municipalities is another which also deserves to be noticed in passing. Lest the constant increase in expenditure should attract attention of the tax-payers in an inconvenient degree, it has become customary for Municipal authorities to distinguish between ordinary expenditure and extraordinary expenditure. In this, of course, they are doing nothing more than following the example set on a much larger scale by the financiers financing for the nation at large. It is an easy way out of an embarrassing situation. But it tends to create a steadily growing load out of all proportion to the capacity of the people to support. Extraordinary, or non-recurring expenditures, which may justly be financed out of capital receipts in stead of out of the ordinary revenue funds, are those which will either not recur in all human probability, within a generation perhaps, or which, by their magnitude of the amount involved as well as the likelihood of the service to be rendered from those projects, bring their own justification to any discerning critic for an exceptional treatment. But expenditure which is likely to recur every year, though not under the same guise or name,—e.g. drainage extension one year, water supply improvement the next year, hospital addition the year following, schools increase the year after &c.,—cannot strictly be regarded as extraordinary, and cannot therefore be provided for out of borrowed funds, which will probably involve too great a burden by way of interest and sinking fund charges.

Productive  
and Unproductive  
Expenditure.

The distinction between productive and unproductive expenditure is cognate with the one noticed just now, and occasions the same set of problems in municipal financing. If by productive expenditure is meant an outlay which will yield

enough in the normal receipts obtainable in exchange for the service rendered by such outlay, and which might even result in a monetary surplus to the municipal exchequer; and if sound municipal finance is held to demand that no capital should be borrowed on municipal account except for purposes of a productive nature, then many a project which is now considered suitable for being financed out of borrowed funds will have to be financed otherwise. Without questioning the general soundness of this rule, we must recognise, however, that there can be, and well might be, legitimate exceptions to the rule forbidding municipal borrowing except for productive purposes strictly so-called. For otherwise, it may quite possibly happen, that projects concerning the irreducible minimum of civic activity, the indispensable modicum of municipal amenities,—like water supply and drainage facilities,—would be held up for want of revenue funds sufficient to meet the cost of these works. The rates or taxes charged for such services, and the increase permissible to be made on account of the addition to these facilities may be set off against the charges by way of Interest &c. for monies borrowed for such works, though these are not strictly speaking receipts from the vend of a service or commodity which the municipality would be justified in withholding from those who are unable to pay for them. These facilities will have to be made accessible alike to all classes of citizens, irrespective of the question whether they are able to bear a proportionate burden in the shape of extra payments for such conveniences or facilities. This is possibly the reason why the municipal authorities regard the payments for such services in the nature of a tax rather than of a price paid for a commodity, which the purchaser is at liberty to refuse by foregoing the consumption of that commodity or service. In any case, with the exception of works of this character, it would be safe to lay down and insist on the general rule that borrowed funds should not be resorted to except for productive works, productive being defined as above. Ordinarily, all unproductive works,—like construction of school buildings for example, or additions to hospitals,—even though appearing to be of a non-recurring character, should be financed out of current revenues, including in the revenues Government Grants-in-aid if necessary.

A consideration of these peculiarities of Municipal Expenditure suggests some other characteristics of that expenditure even more fundamental than those we have noticed so far. Municipal expenditure is essentially an outlay for local benefit, obvious and unmistakable as well as inalienable. As things stand to-day in India, the major portion of municipal expenditure seems to be of a non-reproductive character, considered only in terms of pecuniary productiveness; but there is no reason why, in the near future, the situation may not be so far revolutionised as to make the major portion of municipal expenditure reproductive. But whether municipal expenditure is productive of monetary profit or not, this must never be forgotten:—that the final aim of municipal

Municipal expenditure essentially local.

expenditure of every kind is service to the community. If profit results, it must result incidentally, and not as a set predetermined consequence of the general plan of such expenditure. If a productive enterprise is undertaken by a municipality; and if it is conducted so as to cheapen to the citizen the cost of the service obtainable therefrom; or so as to improve the lot of the workers engaged in the production of these services and commodities by a practical recognition, let us say, of the standard minimum wage to all municipal employees, no matter of what rank, its productivity need not be measured by the financial position exhibited in terms of money in the balance-sheet.

The Real Benefit.

And, in this connection, we may be permitted to quote the essence of the case for Municipal Trading as made out by Mr. Bernard Shaw\* in his own inimitable style, in the *Commonsense of Municipal Trading*:—

“Thus we find that even when a contractor can guarantee that the labour he employs is not casual labour; that it is efficient, regular, respectable cheerful, healthy, and untouched directly by pauperism, prostitution, or crime; and that he pays the full wage customary in his industry, it will still not pay the rate-payer to accept his tender unless he can show that every person he proposes to employ on the work will get a self-supporting adult's living wage for it.....This is the common sense of the modern innovation of a Fair Wages clause in all industrial contracts made by municipalities, and of the payment of a full living wage to all municipal employees.....

Now it is the chief and overwhelming advantage of public enterprise that it can and does reap the total benefit of its operations, when there is a benefit, just as it suffers and is warned by the total damage of them when there is a damage. In the technical language of the political economists, public enterprise goes into business to gain the value in use or the total utility of industrial activity, whilst commercial enterprise can count only on the value in exchange or the marginal utility.”

### III.—Distribution of Municipal Expenditure.

Outlay of Municipal Funds.

We have hitherto considered municipal expenditure in the abstract, in the aggregate. To understand fully some of the points made in the foregoing discussion, let us consider it a little in detail. Says Dawson in his work more than once referred to in the previous pages, concerning German Municipalities:—

“Of the gross expenditure, 23, per cent. fell to the administration of communal undertakings and enterprises, 17.4 per cent. to that of educational and art institutions, 14.3 per cent. to the service of debts, 11.8 per cent. to the general and police administration, 9.9 per cent. to the building administration, 7.6 per cent. to the administration of poor relief, the care of orphans, and hospitals, and the remainder 16 per cent. to miscellaneous branches of administration.”†

\* Bernard Shaw, *Common Sense of Municipal Trading* pp. 33-35.

† Dawson: *Op. Cit.* p. 294. The percentages of British expenditure totalled up do not make 100,

This is for 1907, and relates to all German towns or municipalities. In a footnote, the same writer adds:—

“Of the total expenditure of local authorities in England and Wales in the administrative year 1910-11, 21.8 per cent. was on account of education, 9.6 per cent. on account of poor relief (exclusive of the cost of poor lunatics in county and borough asylums,) 3 per cent. on account of lunatics and lunatic asylums, and 1.4 per cent. on account of hospitals other than poor law infirmaries. The service of loans is included in the foregoing expenditure, but stated alone it formed 22.8 per cent. of all expenditure.”

### ENGLAND AND WALES.\*

#### LOCAL TAXATION—LOCAL REVENUE.

1918-1919	England and Wales (£. millions.)	Percentage.
<b>RECEIPTS FROM</b>		
Rates .. .. .	85	43
Water, gas, and electric light undertakings ..	34	17
Tramways and light railways, etc. ..	17	9
Government contributions .. .. .	29	14
Loans .. .. .	4	2
Miscellaneous .. .. .	30	15
<b>Total receipts .. .. .</b>	<b>199</b>	<b>100</b>

#### LOCAL EXPENDITURE.

<b>EXPENDITURE ON</b>		
Education .. .. .	43	22
Electric lighting (other than public) ..	13	6
Gas works .. .. .	14	7
Harbours, etc. .. .. .	12	6
Highways, etc. .. .. .	16	8
Police and Stations .. .. .	10	5
Poor Relief .. .. .	15	8
Sewerage .. .. .	6	3
Tramways, etc. .. .. .	16	8
Waterworks .. .. .	11	6
Other purposes .. .. .	42	21
<b>Total .. .. .</b>	<b>198</b>	<b>100</b>

\* See Findlay Shirras, pages 440-441.

# MUNICIPAL EXPENDITURES \*—1898-1899.

(In thousands of dollars.)

CITIES.	Population.	Debt.	Total Ordinary.	Police.	Fire Brigade.	Streets & Parks.	Sewers	Water Supply.	Lighting.	Charities.	Educational.	Debt Payments.
Philadelphia	1,293,697	41,211	19,234	3484	990	1787	118	1311	1138	650	3412	3853
St. Louis	575,238	19,105	9,110	1459	727	1012	90	409	417	627	1470	1279
Boston	390,892	59,299	19,762	1830	1191	1688	350	983	678	785	2770	2017
Baltimore	508,957	32,928	7,121	1079	491	801	18	902	395	303	1343	1920
Glasgow	795,000	43,000	....	679	110	900	228	1062	188	?	1280	1580
Liverpool	698,643	60,000	....	380	115	360	110	1380	214	?	660	2050
Manchester	539,079	79,000	....	56	56	1170	240	?	230	860	425	2480
Birmingham	510,343	43,000	....	370	49	295	81	?	117	?	585	2150
Munich	445,000	25,000	5320	?	83	128	?	274	274	305	1060	1040
Leipzig	422,000	15,000	5110	710	104	156	28	280	580	448	1040	600
Dresden	393,000	10,000	70540	?	?	221	84	80	260	308	1140	460
Amsterdam	503,000	40,000	5570	440	120	380	88	299	172	502	1303	2170
Rome	491,000	43,000	4840	312	52	365	?	93	287	n.m.	603	?
Brussels	205,000	56,000	6000	278	67	192	24	140	?	140	546	1860
Copenhagen	349,000	16,000	3180	320	81	206	?	86	?	903	553	471
Barcelona	520,000	?	76180	336	49	316	35	32	275	170	160	1130
Madrid	608,000	16,000	76050	210	104	375	88	?	?	204	232	1140
Lyon	466,000	?	2280	156	47	322	27	75	78	275	499	1072
Marseilles	447,000	21,000	3250	284	?	462	18	260	180	403	644	1235
Bordeaux	256,000	6,900	1780	200	?	149	14	33	55	227	244	560

\* Bulletin of the Department of Labor, September, 1900; Cadoux, Les Finances de Paris, 680,698.  
cp. Fairlie, op. p. 329.

The table attached, compiled from the Statistical Abstract of British India for 1912-13 to 1921-22, illustrates the positions of the Indian municipalities in regard to the distribution of their expenditure. The inclusion in these figures of extraordinary and debt or capital disbursements, including deposits or balances, vitiates the figures for comparison; and the classification, which places Interest charges in a group separate from the Sinking-Fund charges makes the defectiveness of these figures still greater. Nevertheless, if we may take the total municipal expenditure in British India from all sources in 1921-22 to be Rs. 28.69 lakhs, then the principal items were as follows :—

	Per centage of the total expenditure		This accounts for only about 49 per cent of the expenditure given in the table. If we leave out of this table the extraordinary items, aggregating 13.10 crores (not in- cluding Sinking Fund payments) the total expenditure would be 15.59 crores, in which case these percentages would come to be practically doubled as shown in the bracketed figures.
Public Health and Convenience.	32.55	(60)	
Interest and Sink- ing Fund	4.53	(9)	
General Administr.	4.44	(8.5)	
Pub. Instruction.	1.36	(8.25)	
Public Safety	2.93	(5.0)	

This distribution corresponds mainly to the scheme of municipal functions discussed in the preceding Book. We shall study it more fully and in greater detail in the succeeding chapters, and point out how functions, which are not commonly comprised in the Indian scheme of Municipal Administration, but which we nevertheless think ought to be included in order the more effectively to serve the municipal populations, should be financed. The principles of financing appropriate to each particular group or item of municipal functions will also be considered in the same connection. Here we need only point out that on a comparison with other countries, in spite of all the difficulties in the way of instituting a proper comparison between the expenditure of two or more countries, each one of which has its own classification and grouping of the several heads of such expenditure, India seems to spend a disproportionately small sum on educational items, has almost no outlay worth speaking of on Poor Relief purposes or police functions, and spends a proportionately larger amount on salaries and allowances included in the general administration charges, and the similar items under each of the other groups. The relative weight of the debt charges seems, on a mere comparison of percentages, to be smaller in this country; but when we consider the nature of the municipal debt in India, and the yield of the works or projects accomplished from such loan funds, the weight of the debt charge is by no means inconsiderable. If the several suggestions made in the different parts of this work are to be adopted, the item of debt will naturally grow, and the charges on that account will rise in consequence. But

Financing ex-  
tensions of Mu-  
nicipal Func-  
tions.

as we shall point out more fully in its appropriate place, the debt occasioned by the adoption of each of our suggestions would be such as would probably bear its own charges from the start, and may even leave a surplus for the general expenditure of the Municipality.

#### IV.—The Success of Municipal Expenditure.

Common criterion.

The question may well be asked, by the Municipal auditor, by the average intelligent citizen taking an interest in the administration of his city's affairs, by any student of municipal finance in general:—How far has municipal expenditure been successful, from the point of view of achieving the object for which it has been undertaken. The viewpoint is, indeed, different in each of the three several classes of inquiries into the success of Municipal expenditure; and the answer might naturally differ according to the different standpoint from which the inquiry is made. Nevertheless there must be some common standpoint, some meeting ground for all these classes of inquirers asking the identical question; and to the extent that we are able to give an answer satisfactory to all, can the expenditure of the municipalities be pronounced to have proved successful. In detail, the answer to the question will be found against the several items specifically in the following pages. For the gross, the reader must form his own judgment after a combined consideration of this and the preceding section of this work.

# INCOME (Excluding opening balance.)

No.	Name of Municipality.	Population within Municipal limits.		1905-6		1910-11		1915-16		1919-20		1920-21		1921-22	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
MADRAS.															
1.	Madras ..	526,911	20,43,097	31,42,710	35,38,089	47,02,113	52,39,337	59,20,478							
2.	Madura ..	138,894	2,35,037	4,09,863	8,76,508	6,72,726	11,41,547	19,34,281							
3.	Trichinopoly ..	120,422	1,93,086	3,07,236	3,14,915	4,16,952	4,86,380	5,50,193							
BOMBAY.															
1.	Bombay ..	1,175,914	90,92,539	1,17,92,562	1,38,70,153	1,83,91,257	2,02,01,854	2,31,98,735							
2.	Ahmedabad ..	270,775	5,49,750	7,60,804	12,59,046	17,95,483	17,17,329	19,93,617							
3.	Karachi ..	201,634	18,45,980	12,42,812	13,61,501	35,51,739	57,89,594	41,61,941							
4.	Poona ..	133,227	4,12,731	3,81,259	4,37,834	6,92,394	8,69,161	12,89,436							
5.	Surat ..	118,452	3,52,216	4,38,234	5,33,314	6,58,201	6,51,406	7,00,594							
6.	Sholapur ..	113,931	1,77,915	2,32,135	2,85,042	4,20,182	4,66,567	5,30,594							
BENGAL.															
1.	Calcutta ..	907,851	70,50,119	89,72,189	1,19,92,551	1,44,38,588	1,55,64,790	1,65,36,785							
2.	Howrah ..	195,301	6,28,159	9,11,009	10,83,028	13,58,278	13,54,719	15,99,554							
3.	Dacca ..	117,900	1,98,641	4,03,409	3,60,743	6,98,588	7,16,668	7,17,898							
UNITED PROVINCES.															
1.	Lucknow ..	217,167	5,91,933	7,91,252	13,03,728	12,62,488	12,86,761	21,17,836							
2.	Benares ..	195,373	4,86,805	6,32,960	7,10,751	8,12,227	8,53,015	9,06,130							
3.	Cawnpore ..	195,085	6,21,641	6,73,382	9,72,559	17,57,829	13,30,414	15,27,517							
4.	Agra ..	163,750	5,93,745	5,31,101	7,93,782	8,20,324	7,30,537	7,47,337							
5.	Allahabad ..	145,605	5,46,269	6,22,652	8,12,358	7,74,249	8,32,264	8,65,220							
6.	Bareilly ..	110,175	2,22,243	2,65,184	2,94,296	4,30,216	3,99,704	4,79,188							
PUNJAB.															
1.	Lahore ..	257,295	6,85,016	8,60,257	11,51,514	15,58,742	17,23,962	17,86,337							
2.	Amritsar ..	157,031	5,92,649	6,77,656	8,00,433	13,07,589	14,79,597	16,43,174							
BURMA.															
1.	Rangoon ..	338,065	26,09,452	36,99,093	14,19,374	54,86,743	85,64,218	59,56,254							
2.	Mandalay ..	132,295	10,78,377	8,27,948	8,43,118	9,16,051	10,47,605	10,59,546							
BIHAR & ORISSA.															
1.	Patna ..	136,153	2,12,094	2,02,599	4,02,570	7,56,712	4,40,415	3,78,726							
CENTRAL PROVINCES & BEHAR.															
1.	Nagpur ..	145,193	4,03,114	6,75,747	7,75,699	9,35,848	10,10,652	10,14,162							
DELHI.															
1.	Delhi ..	246,987	5,82,465	8,86,559	13,97,322	17,11,048	22,71,086	20,47,386							
2.	Bangalore ..	118,684	.....	.....	6,10,599	6,83,091	6,83,287	7,74,189							



## EXPENDITURE.

No.	Name of Municipality	1905-06	1910-11	1915-16	1919-20	1920-21	1921-22
<b>MADRAS.</b>							
1.	Madras .. ..	26,77,340	35,34,974	43,75,817	45,41,413	55,54,946	58,16,603
2.	Madurai .. ..	2,13,375	3,77,942	8,74,949	8,54,162	13,91,439	20,45,426
3.	Troinopoly ..	1,84,145	2,62,229	3,10,508	4,39,317	4,98,562	6,27,564
<b>BOMBAY.</b>							
1.	Bombay .. ..	98,18,126	1,26,21,633	1,56,24,540	1,98,48,225	2,47,42,284	3,22,87,482
2.	Ahmedabad ..	7,19,742	7,02,103	12,00,989	11,95,584	15,84,236	22,74,161
3.	Karachi .. ..	20,09,050	12,38,112	17,12,675	40,33,772	43,32,977	39,59,762
4.	Poona .. ..	3,67,471	3,32,263	4,32,328	6,02,969	9,13,815	12,44,765
5.	Surat .. ..	3,15,128	4,10,693	4,84,881	5,87,162	7,24,302	7,00,646
6.	Sholapur .. ..	1,91,504	2,18,861	2,93,839	4,26,639	4,50,255	4,85,725
<b>DECCAN.</b>							
1.	Calcutta .. ..	81,70,701	1,12,02,370	1,19,54,469	1,54,05,468	1,73,15,153	1,08,85,559
2.	Howrah .. ..	6,34,734	7,66,924	12,06,621	12,94,332	11,85,664	12,62,192
3.	Dacca .. ..	1,97,571	4,16,474	3,48,486	8,37,193	4,09,762	9,38,349
<b>UNITED PROVINCES.</b>							
1.	Lucknow .. ..	8,19,356	10,89,678	10,17,541	11,31,721	16,18,975	29,73,198
2.	Benares .. ..	4,92,943	8,02,948	7,78,495	7,17,237	8,92,235	9,41,415
3.	Cawnpore .. ..	7,82,411	6,14,039	8,56,059	16,44,556	15,84,249	18,80,765
4.	Agra .. ..	5,80,297	4,11,277	6,89,994	7,00,483	8,03,310	7,95,985
5.	Allahabad .. ..	4,61,892	4,30,818	7,60,189	8,15,004	7,62,387	9,65,239
6.	Bareilly .. ..	2,03,324	2,59,401	2,92,778	4,69,612	3,96,847	4,81,955
<b>PUNJAB.</b>							
1.	Lahore .. ..	6,74,766	9,56,439	10,67,312	14,92,436	15,95,421	19,77,304
2.	Amritsar .. ..	6,55,897	7,64,168	11,21,782	13,40,171	14,39,711	17,31,194
<b>BRMA.</b>							
1.	Rangoon .. ..	30,98,209	33,37,548	42,08,885	42,64,399	67,98,817	84,78,903
2.	Mandalay .. ..	9,88,838	0,01,499	8,88,054	9,34,611	11,14,533	14,90,887
<b>BEHAR &amp; ORISSA.</b>							
1.	Patna .. ..	1,86,016	1,98,719	4,08,680	6,77,110	4,53,894	3,63,630
<b>CENTRAL PROVINCES &amp; DEHAR.</b>							
1.	Nagpur .. ..	3,85,721	8,35,683	7,87,897	8,28,968	10,74,989	11,99,545
<b>DEHAR.</b>							
1.	Delhi .. ..	6,09,672	9,40,342	11,82,230	20,77,113	21,69,447	19,84,889
2.	Bangalore .. ..	...	...	5,07,385	6,73,115	8,10,780	9,56,645

# EXPENDITURE OF MUNICIPALITIES.

Heads of Expenditure.	1905-06	1910-11	1915-16	1917-18	1918-19	1919-20	1920-21	1921-22
General Administration and collection charges ..	66,78,009	60,08,670	75,09,069	81,38,269	87,86,868	96,57,515	1,13,44,455	1,27,46,719
Public Safety—								
Lighting ..	22,32,207	32,94,767	43,72,045	45,99,013	50,31,110	53,23,101	63,29,367	70,32,837
Police ..	13,72,830	6,33,487	40,785	38,627	49,301	1,43,303	77,777	88,697
Fire etc. ..	3,65,268	5,88,161	9,00,184	7,24,593	8,07,115	11,33,721	14,07,946	14,07,336
Total ..	30,70,305	45,16,415	53,22,014	53,62,133	58,87,626	66,06,125	78,17,090	85,28,864
Public Health and Convenience—								
Water Supply (including capital outlay) ..	47,84,481	81,11,790	1,10,63,727	87,84,894	83,26,128	1,02,06,077	1,16,87,819	2,00,67,771
Drainage (including capital outlay) ..	57,47,993	59,69,668	68,23,191	52,09,287	56,54,153	65,40,299	96,75,094	1,03,56,141
Conservancy ..	1,11,38,696	1,22,16,938	1,44,00,796	1,49,58,131	1,67,93,934	1,95,42,547	2,14,90,855	2,49,86,759
Hospitals & Dispensaries ..	33,10,462	43,04,517	56,21,642	52,53,002	54,73,167	60,35,566	66,61,163	71,87,819
Plague charges ..	3,09,792	9,21,700	9,32,935	6,22,775	6,48,732	5,57,077	4,79,267	4,18,478
Markets and Slaughter-houses ..	10,35,575	16,33,341	23,37,970	15,73,579	19,00,943	25,08,717	39,80,805	53,36,103
Arboriculture, public gardens etc. ..	3,08,916	6,10,278	8,13,562	7,77,964	8,88,724	10,61,698	12,12,586	11,87,267
Sanitary ..	....	....	13,25,904	16,80,351	20,42,671	22,74,793	27,78,407	30,66,296
Public Works—								
Roads ..	56,36,456	77,48,225	92,16,451	84,97,208	1,05,69,248	1,16,61,938	1,37,96,609	1,41,30,701
Buildings ..	9,79,416	20,69,352	26,23,384	19,11,823	22,06,933	20,90,011	31,00,996	42,39,813
Establishment ..	8,09,352	13,17,157	16,71,074	18,17,553	19,13,159	21,12,933	25,70,453	27,51,722
Stores ..	87,245	1,16,078	1,21,428	1,17,537	1,39,674	1,78,144	2,43,209	3,12,648
Miscellaneous ..	4,08,451	6,75,097	6,17,992	6,78,263	8,09,488	11,75,049	13,14,223	9,37,688
Total ..	3,48,01,864	4,56,94,139	5,74,70,050	5,18,82,347	5,73,58,325	6,60,43,769	7,89,92,395	9,33,49,176

(a) Includes Rs. 1,353 on account of model cow houses and milk depots in the Calcutta Municipality.  
 (b) Includes Rs. 909 a Loyer Asylum contribution, etc., in the Municipalities in Bihar and Orissa.

# **Heads of Expenditure.**

	1905-06	1910-11	1915-16	1917-18	1918-19	1919-20	1920-21	1921-22
Public Instruction...	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.
Contributions for general purposes	30,55,497	40,58,872	61,64,248	64,74,156	75,27,419	91,49,706	1,07,23,577	1,25,28,581
Miscellaneous—	7,87,584	15,55,893	28,81,798	30,30,204	31,83,710	36,32,013	38,13,166	39,36,784
Interest on loans	58,02,941	67,95,769	76,49,740	77,66,110	78,89,695	79,25,721	81,77,345	87,50,506
Other miscellaneous expenditure	20,79,605	22,20,108	42,57,452	50,51,020	88,23,266	99,17,263	96,30,109	1,15,50,880
Total ..	78,82,546	90,21,877	1,19,07,192	1,28,17,730	1,67,12,951	1,78,42,984	1,78,16,454	2,03,01,396
Extraordinary and Debt—								
Investments ..	1,04,50,554	1,57,92,078	1,81,54,173	2,08,07,560	2,03,02,096	2,22,90,238	3,82,38,756	3,76,26,375
Payments of sinking fund	16,34,035	20,76,873	30,82,472	37,63,972	38,36,354	37,90,710	27,39,540	43,95,196
Repayment of loans	16,99,753	21,15,736	51,89,246	70,46,965	41,26,708	46,57,492	96,32,207	66,58,022
Advance	44,95,631	41,83,618	58,31,792	1,01,79,054	1,06,30,439	1,42,64,824	2,12,92,890	1,64,86,610
Deposits ..	1,82,63,766	2,94,06,158	3,10,30,574	3,61,92,198	3,98,17,001	5,17,29,527	6,76,78,992	7,03,24,862
Total ..	3,66,43,728	5,35,74,463	6,33,74,760	7,80,58,749	7,88,01,598	9,87,32,791	14,03,28,619	13,54,70,965
(GRAND TOTAL ..	3,34,19,593	12,44,30,329	15,45,19,737	16,57,63,618	7,82,58,397	20,96,86,997	27,08,35,755	28,69,44,756

(a) Includes Rs. 203 on account of Steam water boat, municipal buildings, Insurance fund, etc., in Calcutta Municipality and Rs. 86,300 for payment to Reserve Fund by General Fund for water-works and to Improvement Trust Fund in the Municipalities in Bombay.

(b) Includes Rs. 70,000 for Payment to Improvement Trust Fund in the Municipalities in Bombay.

(c) Includes Rs. 70,000 paid towards Improvement Trust Fund in the Municipalities in Bombay.

(d) Includes Rs. 21,974, the expenditure of Kyauppya Municipality for which no detailed classified figures are available in the Municipalities in Burma.

(e) Includes Rs. 70,000 paid towards Improvement Trust Fund, Rs. 1,642 paid towards Repair funds in the Municipalities in Bombay and Rs. 4,74,592 for plant and machinery in Bombay City.

(f) Includes Rs. 29,172 detailed figures of which are not available, and Rs. 3,129 spent on the Rajpur Notified Area which has been included within municipal limits of Mussourie.

(g) Includes Rs. 21,974, the expenditure of Kyauppya Municipality for which no detailed classified figures are available in the Municipalities in Burma.

(h) Includes Rs. 70,000 paid towards Improvement Trust Fund, Rs. 1,642 paid towards Repair funds in the Municipalities in Bombay and Rs. 4,74,592 for plant and machinery in Bombay City.

(i) Includes Rs. 29,172 detailed figures of which are not available, and Rs. 3,129 spent on the Rajpur Notified Area which has been included within municipal limits of Mussourie.

# Expenditure of the Bombay Municipality from the year 1865 to the year 1923-24.

## FIVE YEARLY.

HEADS.	1865	1870	1875	1880	1885	1890	1895	1900
1. General Superintendence	Rs. 94,354	Rs. 1,32,202	Rs. 1,13,902	Rs. 1,28,493	Rs. 1,65,258	Rs. 1,77,133	Rs. 2,11,621	Rs. 1,97,643
2. Assessment and Collection .. ..	1,26,472	1,12,498	1,36,708	1,37,726	1,64,917	1,92,643	2,47,771	2,72,850
3. Fire Brigade .. ..	(Not traceable).	30,896	20,063	24,800	64,977	93,907	1,14,144	1,17,098
4. Public works (Engineering) Department.	31,52,722	13,73,387	9,90,091	8,86,191	11,51,551	13,62,241	16,67,335	16,01,898
5. Public Health Dept.	8,15,914	8,20,784	*7,42,958	7,52,410	9,19,967	11,96,577	13,70,168	20,30,444
6. General Stores .. ..	(Not traceable).	8,046	....	....	....	....	....	....
7. Pensions & Gratatuies & Provident Fund	345	10,354	8,691	7,749	23,293	39,139	46,568	66,034
8. Police Charges .. ..	1,41,931	2,24,905	3,52,920	3,59,166	3,61,748	2,58,285	3,74,022	5,00,000
9. Education .. ..	....	....	10,000	17,500	22,500	60,358	87,290	1,11,990
10. Medical Relief .. ..	....	....	36,000	36,000	34,512	35,246	61,456	54,997
11. Debt .. ..	....	4,46,187	7,15,531	6,42,880	7,37,608	14,85,711	20,26,571	23,40,399
12. Contribution to the Bombay L. Trust ..	....	....	....	....	....	....	....	4,74,605
13. Public Gardens .. ..	....	....	18,282	20,756	22,798	65,153	93,969	71,417
14. Stores Plant & Live Stock	5,10,250	....	....	....	....	....	....	....
15. Municipal Bldg. Fund	....	....	....	....	....	....	....	....
16. Road Improvement Fund	....	....	....	....	801	24,459	....	....
17. Investments Fund ..	....	....	....	....	....	....	....	....
18. Plague Expenses ..	....	....	....	....	....	....	....	....
19. Miscellaneous .. ..	1,17,345	23,416(b)	1,19,851	44,321(d)	2,11,150	....	44,086	35,316
20. Total .. ..	49,69,334	33,92,185	32,65,927	30,57,992	38,81,020	58,553	28,485	32,088
						50,42,405	63,73,486	73,924,80

\* Combined with Controller's office.

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HEADS.		1905	1910	1915	1920	1924
		Rs.	Rs.	Rs.	Rs.	Rs.
1. General Superintendence	.. ..	2,20,315	3,09,102	3,13,576	4,18,182	4,90,787
2. Assessment & Collection	.. ..	3,18,017	3,69,460	4,16,808	5,23,771	6,88,863
3. Fire Brigade	.. ..	1,34,282	1,66,963	1,85,577	2,32,962	3,79,944
4. Public Works (Engineering) Department	.. ..	18,81,039	23,85,781	30,02,430	43,15,060	38,66,567
5. Public Health Department	.. ..	18,46,402	23,54,080	23,15,264	36,23,038	17,27,050
6. General Stores	.. ..	15,904	30,859	36,771	46,227	85,356
7. Pensions & Gratuities & Provident Fund	.. ..	74,334	69,817	1,11,204	1,88,988	3,62,363
8. Police Charges	.. ..	5,01,076	.....	.....	.....	.....
9. Education	.. ..	1,59,763	2,63,256	5,03,224	13,32,793	25,08,352
10. Medical Relief	.. ..	57,000	4,62,509	4,39,280	4,61,262	8,96,782
11. Debt	.. ..	28,33,363	33,77,184	37,62,252	43,65,114	1,00,90,945
12. Contribution to the Bombay Improvement Trust	.. ..	2,50,000	7,80,000	9,76,938	15,19,780	19,07,355
13. Public Gardens	.. ..	66,092	98,964	99,295	97,183	1,59,16
14. Stores Plant & Live Stock	.. ..	.....	.....	.....	.....	.....
15. Municipal Building Fund	.. ..	.....	.....	.....	.....	.....
16. Road Improvement Fund	.. ..	.....	.....	.....	.....	.....
17. Investments Fund	.. ..	.....	.....	.....	.....	.....
18. Plague Expenses	.. ..	35,399	1,21,917	10,000	20,982	70,044
19. Miscellaneous	.. ..	1,81,920	2,00,915	1,27,033	1,18,404	.....
20. Total	.. ..	57,512	3,65,173	1,59,989	10,57,511	7,16,308
		55,91,618	1,13,97,050	1,24,53,191	1,83,09,277	2,89,50,053

## CHAPTER III.

### REVIEW OF MUNICIPAL EXPENDITURE IN INDIA.

#### I.—Survey of Municipal Expenditure.

Having considered the outstanding general characteristics of Municipal expenditure, let us next turn to the consideration of Municipal Expenditure in this country. The Table of Municipal Expenditure already given in the preceding chapter is defective for a variety of reasons, the most important of which is its misleading classification. To correct the classification satisfactorily would involve a recasting of the tables given usually as appendices to the administrative reports of the several municipalities; but the following particulars for the Presidency Municipalities ought to suffice for a beginning:—

#### Municipal Expenditure in the Presidency Towns.

Heads of Expenditure	Bombay (1923-24) Rs.
I. General Supervision, Collection of Revenue &c. .. ..	79,41,003 (Including Debt charges of 62,64,880)
II. Water Works .. ..	41,61,194
III. Primary Education .. ..	24,39,913
IV. Secondary .. ..	68,938
V. Pub. Health Dept. .. ..	8,74,142
VI. Hospitals & Medical .. ..	8,96,582
VII. Street Cleansing & Conservancy .. ..	33,11,541
VIII. Roads & Over- bridges .. ..	23,16,139
IX. Public Lighting .. ..	8,10,473
X. Drainage and Sewer- age .. ..	21,96,895
XI. Fire Brigade .. ..	4,25,281
XII. Building & other measures for public safety .. ..	3,68,045
XIII. Gardens & Open spaces .. ..	1,59,166
XIV. Markets & Slaughter houses .. ..	5,16,266
XV. Contrib. to C.I. Trust .. ..	19,07,255
XVI. New Wks. Work- shop .. ..	1,410
XVII. Municipal Debt .. ..	35,911
XVIII. Investment of Mun. Land sale proceeds .. ..	70,043
XIX. Provident Fund Contrib. .. ..	149,847

Rangoon (1923-24)	
Heads of Expenditure	Amount
I. General Administration & Revenue	Rs.
Collection .. ..	5,50,779
II. Public Safety (Fire, Lighting,)	3,05,549
III. Water Supply (Including Capital outlay 3,10,677) .. ..	10,42,804
IV. Drainage (Including Cap. outlay of 2,141)	2,57,308
V. Conservancy ..	11,20,192
VI. Public Health Dept.	3,24,443
VII. Hospitals & Dispensaries .. ..	98,554
VIII. Miscellaneous Sanit. Exp. .. ..	2,26,901
IX. Markets & Slaughter Houses .. ..	2,72,881
X. Roads .. ..	7,59,512
XI. Other Public Works	4,23,041
XII. Public Instruction.	2,00,500
XIII. Contrib. for Gen. Purposes .. ..	2,32,869
XIV. Interest & Discount on Debt. .. ..	8,12,168
XV. Miscellaneous ..	2,89,467
XVI. Investments ..	29,347
XVII. Payments to Sinking Fund .. ..	4,22,309
XVIII. Repayment of loans	4,72,500
XIX. Advances .. ..	3,03,854
XX. Deposits .. ..	9,14,431
Total Disbursements ..	92,59,420

Madras (1922-23)	
Heads of Expenditure	Amount
	Rs.
Grant 1. Public Works.	17,53,754
Grant 2 Education ..	1,76,150
Grant 3 Sanitation & Medical .. ..	10,34,581
Grant 4 Miscellaneous (Including lighting, Markets, Slaughter-houses) .. ..	4,11,027
Grant 5 Supervision and Management .. ..	2,94,332
Sinking Fund Payments.	5,99,463
Total Disbursements ..	57,13,775

*N. B.*—We have not included the Calcutta Figures, as they are extremely detailed, and admitting of no simple grouping. Without taking up an unduly large space of this work, those figures could not have been inserted here; and even if added, they would have only served to emphasise the absolute want of any intelligible and consistent scheme of classification in the Municipal expenditure of this country, even in the most considerable and advanced Municipalities of the presidency towns. The fact, for example, that Bombay includes Interest Charges on the capital debt of the City under the

General Administration Charge, which, in its turn, is an item common to several groups of expenditure if we mean by it the charges of superintendence; or that Capital charges should be lumped up with revenue charges regarding water supply or drainage works, (e.g. Rangoon); or that general conservancy charges should be separated from the drainage and sewerage expenditure, while hospitals and dispensaries are separated from Health Department charges, or these again from the charges of vaccination, infant welfare, drug supply, veterinary establishment, markets and slaughter-house expenditure &c.—indicates a most regrettable want of symmetry in municipal finance.

Reclassification. (1) Interest and Sinking Fund charges.

To the scientific student of Municipal Finance, the problem becomes complicated, as he would be at a loss to know on what basis to reclassify the items for the purposes of his own analysis and study. If the reclassification is attempted on the basis of the functions of the Municipal authority, it might quite possibly result that items of essentially the same kind would go under different heads. Thus, for example, debt incurred and payments due in connection there-

with for Interest, Discount or Sinking Fund Charges, will appear separately according to the object for which each particular loan was incurred. There would thus be Interest on Water Works Account, again on Drainage Account, then again on City Improvement Account ad infinitum. The financial bearing, however, of the interest charge is the same in all cases; or would be different perhaps, if the initial object of the loan was considered to be commercially profitable or not. Practically all the indebtedness of the Indian Municipalities is hitherto due to what are, strictly speaking, non-productive purposes, inasmuch as the interest and sinking fund dues on account of such borrowings have to be made good rather from compulsory payments of the nature of taxation than from voluntary prices willingly paid in exchange for service or benefit received, which the recipient was at liberty to refuse, if he considered the price exorbitant. Only when the citizens have an effective alternative, and they still prefer the municipal supply of these services ministered to from borrowed funds, could it be said that the payment, even though exacted in the form of a compulsory rate or taxation, is really a price paid for a service or commodity received. This is not to say that the Municipality should not itself undertake such works; or that it should not make them into monopolies; or that it should indiscriminately insist on constructing such works from current revenues only, if they permit, or going without them if they don't. The argument only means that items of expenditure, which are essentially of an identical character, will, if separated, complicate enormously and unnecessarily the task of the scientific student.

The same argument can apply to the cost of labour of every grade. As <sup>(2)</sup> Salaries and allowances things stand, salaries and wages, payments towards pensions and superannuation allowances to Municipal employees, are classed separately by groups, and so prevent a proper study of the bearings of the labour cost of Municipal Service. As already pointed out in a previous chapter, the Labour cost in Municipal service may, on the surface, seem to be greater than the corresponding cost under private, profit-seeking agency, especially if the Municipality begins enforcing upon itself the doctrine of model employment conditions. But the standard, and therefore higher wages paid by the Municipality are in the long run, a benefit to the municipality itself, as they will help to prevent that inroad upon the rates, upon the municipal funds, which are spent upon the relief of the poor, or sanitation and connected duties of the corporation. On the other hand, if Municipal salaries and allowances in the superior grades of the corporation's employment are framed on a basis, which takes very little or no account at all of the market price of such services, of the incidence of the burdens caused by such extravagantly high salaries and liberal allowances, of the amount of work or benefit really obtained by the corporation from such of its high paid officers, then that would be another great problem by itself, which would also require a special consideration of the problem of the Labour Cost of Municipal works.



Classify according to affinity.

For a proper understanding, then, of the true bearings of municipal expenditure, it is necessary to view it in a grouping or classification in which the several items would have mutually some intelligible principle of affinity, other than mere administrative convenience, that now dominates the classification. Such a reclassification may follow one of the two principles indicated above: On the one hand we might classify the entire expenditure according to the grouping of the prime functions of Municipal bodies,—viz. Public Health, Public Convenience, Public Safety, Public Instruction. But on this basis obviously, some of the expenditure, e.g. the charges of management or supervision, would be either impossible to classify, or would repeat themselves on each head. To avoid this difficulty, it would, on this plan of classifying municipal expenditure, be necessary to make separate groups for such items as cannot naturally fall in the principal groups, or involve an amount of repetition. Such extra groups will then be regarding General Administration and Supervision Charges, Debt Charges, including Interest and Sinking Fund payments as well as discount allowed on any municipal borrowing, Stores and New Works Charges, and Miscellaneous items that cannot really be brought under any of these groups even, e.g. the expenses in connection with the addresses of welcome to exalted visitors to the city. According to the other principle, we might separate labour charges proper, including salaries and allowances of all grades of municipal officers and servants, from the material charges; and these again from the cost of the municipal debt. There may, in this grouping, also be certain unclassifiable items, e.g. contributions to certain institutions or organisations, like the City Improvement Trusts in Bombay and Calcutta, and these will have to be classed by themselves. On either of these plans, the items will be grouped so as to have a mutual sympathy, and so indicate more fully the real nature and benefit of the expenditure than would be the case under an illogical and unintelligible classification.

The Table appended of the Actual Expenditure in Bombay (1923-24) stands as it is given in the annual report of the Municipal administration.

## II.—Indian Municipal Expenditure Reclassified.

Reclassified on either of the principles we have mentioned above, the Bombay Expenditure would appear as follows:—

Municipal Expenditure Reclassified for		
Head of Expenditure.		Bombay (1923-24)
I. PUBLIC HEALTH.		
Public Health Department	.. ..	₹5,52,567
Water Supply	.. ..	7,20,467
Hospitals & Dispensaries	.. ..	8,96,582
Conservancy	.. ..	24,72,855
Drainage & Sewerage	.. ..	20,91,665
TOTAL PUBLIC HEALTH.		70,34,166

Municipal Expenditure Reclassified for  
Head of Expenditure. Bombay (1923-24)  
Amount Rs.

<b>II. PUBLIC CONVENIENCE.</b>				
Roads & Overbridges (including				
Conservancy) .. ..	30,77,579			
Gardens & Open Spaces .. ..	1,56,133			
Markets & Slaughter-Houses .. ..	4,57,110			
<b>TOTAL PUBLIC CONVENIENCE .. ..</b>	<b>36,91,822</b>			
<b>III. PUBLIC INSTRUCTION .. ..</b>				
	<b>25,08,818</b>			
<b>IV. PUBLIC SAFETY.</b>				
Lighting .. ..	8,10,473			
Fire Brigade .. ..	3,72,504			
<b>TOTAL PUBLIC SAFETY. .. ..</b>	<b>11,82,977</b>			
<b>V. GENERAL ADMINISTRATION.</b>				
(Including Supervision charges in all departments and allowances and contributions towards Pensions &c.) .. ..				
	21,55,620			
<b>VI. DEBT CHARGES.</b>				
General Debt Charge .. ..	82,64,880			
Water Works " .. ..	37,80,727			
Fire Brigade " .. ..	45,337			
Miscellaneous " .. ..	35,911			
<b>TOTAL DEBT CHARGE. .. ..</b>	<b>1,01,26,855</b>			
<b>VII. STORES &amp; NEW WORKS. .. ..</b>				
	<b>3,13,688</b>			
<b>VIII. MISCELLANEOUS.</b>				
Contributions to C. I. Trust .. ..	19,07,255			
Investments of Sale Proceeds .. ..	70,078			
<b>TOTAL MISCELLANEOUS CHARGES .. ..</b>	<b>19,77,328</b>			
<b>GRAND TOTAL .. ..</b>	<b>2,89,90,674</b>			

### III.—Financial Position of Indian Cities.

We do not claim, indeed, that the classification here attempted is faultless. As the accounts are presented, it is impossible to avoid a certain degree of overlapping, e.g. in the charges of Conservancy, which have been divided between charges for Public Health and those for Public Convenience on a somewhat arbitrary basis. The treatment of the Debt Charges, moreover, is anything but satisfactory, since by lumping together the entire burden of the debt, we overlook the debt charge really due to each of the departments. Nevertheless, when every allowance is made for these shortcomings,—and these shortcomings are particularly noticeable when we compare the figures under the same group in one municipality with those in the corresponding group under another,—it is possible to see how the funds are laid out:—

Shortcomings  
in the new  
classification.

Bombay spends on Debt Charge 34.8% of its total expenditure as reclassified.

„ Public Health	24.25%	„	„
„ „ Convenience	13.0%	„	„
„ „ Instruction	8.6%	„	„
„ „ Safety	4.0%	„	„
„ General Administration	7.4%	„	„
„ Stores & New Works	1.5%	„	„
„ Miscellaneous	6.45%	„	„

We may not, indeed, regard the entire Debt charge\* as in the nature of deadweight obligation; but we cannot but notice that the burden of the debt is supported by additions to the general and special rates leviable by the corporation, leaving very little margin for any expansion in the trading functions of the Corporation, which, even if profitable and self-supporting eventually, must initially be financed from borrowed funds. Says the Municipal Administration Report for 1923-24.

\* Table showing the amount and causes of the indebtedness of the Presidency Municipalities

Heads.	Bombay. (31-3-24)	Rangoon. (31-3-24)	Madras. (31-3-23)	Calcutta. (31-3-22)
	Rs.	Rs.	Rs.	Rs.
Net amount available for Exp. ..	14,51,36,785		1,60,46,900	5,07,97,900
General Supt. & Revenue collection ..	20,10,404	37,39,200	3,00,000	
Water Works .. ..	5,90,35,404	1,07,25,000	42,50,900	
Education (Primary) .. ..	11,42,919			1,56,41,400
Public Health .. ..	32,55,436			(Water-wks.)
Hospitals & Medical Relief .. ..	26,77,690			
Street Cleansing & Sanitation .. ..	35,36,782			
Roads & Overbridges .. ..	1,79,58,125		1,50,000	
Drainage & Sewerage (Halalkhore) ..	3,85,45,536	46,76,800	76,20,000	1,21,63,800
Fire Brigade .. ..	7,78,963			
Building Regulations &c. for Public safety	17,292			
Gardens and Open Spaces .. ..	26,87,059			
Markets & Slaughter Houses .. ..	39,86,385		2,50,000	
Total amount spent on works upto 31-3-24 .. ..	12,56,32,009	1,91,41,000		
Balance unexpended on 1-4-24 .. ..	1,95,04,775			
Amount advanced towards cost of sanctioned New Works .. ..	1,22,11,548			
Balances invested .. ..	72,93,226			
Special Buildings .. ..			17,01,000	
Electric Lighting .. ..			17,75,000	3,47,800
General & Miscellaneous for Calcutta ..				2,26,44,000

Totalled up, the aggregate indebtedness of the 4 leading cities in India was as follows :—

	Rs.
For Water Works :—	8,96,52,704
„ Drainage Works .. ..	6,30,16,136
„ General Purposes .. ..	2,86,93,604
„ Roads and Bridges .. ..	1,81,08,125
„ Markets & Sl. Houses .. ..	42,36,385
„ Lighting .. ..	21,22,800
„ Gardens &c. and Sp. Bdg. .. ..	43,88,059
„ Fire Brigade .. ..	7,78,963
„ Other Objects .. ..	2,01,25,809
Total .. ..	23,11,22,585

N. B.—The figures, we must add, not being for the same period, comparison cannot be made quite accurately; and the classification or the exact nomenclature being different in the different municipalities, it is also not certain that the items are quite precisely identical as given in the above table. Nevertheless it might suffice to give an idea of the objects and volume of municipal indebtedness in India.

"On the latest Budget data our Income and Expenditure and margin of borrowing powers for general purposes except Fire Brigade and Water works may be stated as follows:—

Income as per Budget for 1924-25..	Rs.		Rs.
			3,13,06,250
DEDUCT			
(1) Fire Tax.. .. .	5,75,000		
(2) Water Works Income ..	60,09,000		65,84,000
			<hr/>
			2,47,22,250
ADD			
Difference between general Tax at 11 per cent. and maximum at 17 per cent leviable under the Municipal Act .. .. .			69,81,818
			<hr/>
			3,17,04,068
Expenditure as per Budget for 1924-25 .. .. .			3,10,91,900
ADD			
Additional Debt Charge on loans raised viz. 3,15 lakhs against 3,00 lakhs shown in the Budget .. ..			1,16,745
			<hr/>
			3,12,08,645
DEDUCT			
(1) Fire Brigade	Rs.	Rs.	
(a) Expenditure ..	3,94,298		
(b) Debt Charges ..	52,727		
			<hr/>
			4,47,025
(2) Water Works			
(a) Expenditure ..	11,17,388		
(b) Debt Charges ..	47,77,627		
			<hr/>
			58,95,015
ADD—Debt Charges on the Loan of Rs. 65 lakhs raised in 1923-24 .. .. .			5,05,895
			<hr/>
			64,00,910
Less—Debt Charges on Rs. 125 lakhs to be raised in 1924-25 in lieu of Rs. 175 lakhs shown in the Budget. ..	1,50,000	62,50,210	66,97,935
			<hr/>
			2,45,10,710
DEDUCT—Debt Charges on 40 lakhs shown under Water Works .. .. .			2,21,320
			<hr/>
Total Expenditure, except Water works and Fire Brigade is ..			2,42,89,890
Balance of taxation against which loans can be raised other than Fire Brigade and Water Works.. .. .			74,14,678

Against this margin at maximum rates of taxation, loans can be raised for general purposes to the extent of Rs. 9,52,00,000, with interest at 6% p.a. and Sinking Fund calculated on 4% basis.

The limit of borrowing under Section 109 (b) of the Municipal Act is double the rateable value of the premises in the City liable to General Tax. The position regarding borrowing powers is as follows:—

	Rs.
With the rateable value at the close of the year standing at ...	11,38,13,849
The city can raise capital to the extent of .. .. .	22,76,27,698

Against this our liabilities are:—

Debt outstanding on 1-4-24 .. .. .	14,12,84,438
Add—Government advances for Mahim Development schemes ..	31,00,000
Add—Loans to be raised in 1924-25 .. .. .	4,10,00,000
	<hr/>
	18,53,84,438
Balance of Borrowing Powers .. .. .	4,23,43,260

Against this balance, our estimated capital borrowings in 1925-26 on account of works in progress and new works, including the Development schemes sanctioned, would be about Rs. 200 lakhs on the basis of proposals already sent in.

There will be works uncompleted even at the end of 1925-26 and thus necessitating further borrowings for their completion. With these commitments to face, we have got no borrowing powers for additional new works, and in fact, our liabilities may turn out to be greater than the balance of our borrowing powers. At present we have yet got to definitely know what further liabilities are to be met on account of the Development Schemes."

Pressure of  
Debt in Bom-  
bay.

The accountant then goes on to mention the new sewage removal schemes that are being discussed, and which, if accepted and carried out, might involve additional borrowing of at least 2½ crores. The Municipality is thus on the verge of exhausting its borrowing powers, with taxation at the maximum allowed under the constituent Act. It is true, the limit of borrowing powers can be raised; and double the rateable value of the property chargeable to the General Tax is a margin of safety for a municipality like that of Bombay, which may sound to many as rather excessive. It is equally true, that if borrowed funds are used for reproductive purposes definitely ascertained to be so, the assets of the Corporation would automatically rise, and so obviate the danger that now seems to be imminent to many a student of municipal finance in Bombay. But making allowance for these pertinent considerations, it must still be admitted that where more than a third of the total revenues of the city are devoted to the maintenance of debt services only; and where the bulk if not the whole of that debt has been incurred for the primary, and therefore non-productive, func-

tions of the Municipality, even if that debt or part thereof is made "remunerative" by special taxation being allowed on that account, the margin of resources for the Municipality for other more directly beneficial functions, or those of equal importance to the city must needs be very small. The programme, again, of the city's expansion requirements, already sanctioned or awaiting sanction, would involve further capital outlay of 14.20 crores as estimated by the special Retrenchment Committee for the City in 1925, of which 4.79 crores represent unspent balances on works already sanctioned, and 9.41 crores having to be borrowed.\* On a liberal scale of capital expenditure, during the next six years, the load of indebtedness is expected, by the Retrenchment Officer, to amount at the end of 1930-31 to 26.46 crores, and on a restricted scale to 21.46 crores about the same time; but after incurring all this indebtedness, the civic Corporation would have added very little to the effective amenities of life in the city, let alone to the real service of the largest section of the civic community. The Retrenchment Adviser was himself compelled to observe, in his Final Report (Para 116), after a review of the comparative indebtedness of Birmingham (Rs. 79 per head,) Liverpool (74,) Manchester (124,) Tokyo (33) and Bombay (83):—

"Having regard to the low economic status of the average citizen, and the character of the works on which borrowed money is being spent, it is impossible to escape the conviction that the debt of Bombay is already as high as it should be."

And these comparative statistics do not include, it must be particularly noted, the debt incurred by European cities for supplying trading services to the citizens, which, even if they raise the gross total of indebtedness, reduce effectually the deadweight of the burden falling on the citizens.

Bombay is, of course, the most extravagant in this matter of indebtedness; but other cities are not far behind. At the end of 1921-2, the total debt<sup>sure in cities</sup> of cities. Calcutta was 535.73 lakhs, and the Chairman of the Corporation in his annual report for that year estimated the balance of Calcutta's borrowing powers to be, theoretically, 287 lakhs, but practically perhaps much less. The criticism we feel it incumbent to pass on the debt charge of the Indian Presidency Cities is not that it is absolutely excessive; but rather that the purposes for which the debt is incurred are not such as would of themselves help to lighten the burden of the debt.

\* The Retrenchment Committee and the Special Retrenchment Officer or Adviser seem to have thought all along of the debt incurred or incurable on the beaten track of Municipal development. They have not considered such natural expansion as the acquisition of the lighting plant, though the lighting contract is due to expire within the period for which they have made recommendations in the alternative. And though the acquisition by the Municipality of the City's Tramways is a distant contingency, the construction of a circular underground route of railways can no longer be considered as a remote possibility of more or less academic nature. Other directions of Municipalisation of industries the more effectively to supply the necessities and amenities of life to the citizens are, of course, unthinkable to people steeped in the prejudices of undiluted individualism.

#### IV.—Relative Proportions of the Different groups of Expenditure.

Other Items  
of Municipal  
Expenditure.

Of the other expenditure, in the fields of Public Health, or Public Convenience, for example, a proportion of less than 25% on Health, including Water supply and Conservancy, and 13% on general convenience, may not be deemed excessive. Madras spends nearly 48% on the combined account of Health and Convenience, while Rangoon is content with barely 30% on these heads. Education, however, is starved disgracefully in all municipalities,—the 2% or less of Rangoon and Madras can scarcely be dignified with the name of Municipal Expenditure on a primary function; and though Bombay heads the list with 8% of its total expenditure on Education, even that is scarcely in proportion to the immense need in that behalf.\* The charges of General Administration and Supervision amount to about  $7\frac{1}{2}\%$  in Bombay on our classification, over 12% in Rangoon and Madras compared to the expenditure proper of these municipalities. The top-heavy administrative structure, with a disproportionately high range of salaries at the top, must be held to be responsible for the cost of administration bearing such a large proportion to the total cost of municipal activities.

Proportion of  
other Items of  
Expenditure.

This last point will be further cleared up and understood better, if we classify and consider Municipal expenditure on the other basis of grouping all items of salaries, allowances, wages, pensions and other cognate contributions in a class by themselves, with a separate class for the debt charge, and another for material and service cost proper, leaving items like the Bombay Corporation's contribution to the City Improvement Trust, and other ungroupable items, in a miscellaneous class by themselves. On this basis, Bombay spends, roughly, 93 lakhs, out of a total of 290 lakhs or 32% on salaries, wages, allowances of

\* In this regard, compare the following figures relating to the expenditure on Education in American cities compiled from Jensen's *Problems of Public Finance* (P. 49.) Governmental cost payments of 227 cities estimated to have a population of 30,000 and over in 1919.

Description of costs	amount (000 omitted.)	Education is thus collectively the highest single item. In individual cities, also, the same holds good as the following table compiled from Munro Op. cit. p. 457 shows:—		
Total cost of		City	Total Exp.	Education Expenditure
Government .. ..	\$ 1,233,112	Dayton	\$ 1,890,001	\$ 527,493
General Govt. .. ..	76,977	Nashville	1,590,910	403,383
Protection to		Cambridge	2,568,671	592,531
Person & Property .. ..	158,051	Salt Lake	1,971,278	725,484
Police .. ..	80,917	City	"	"
Fire .. ..	64,541			
Other .. ..	12,593			
Conservation of Health .. ..	20,269			
Sanitation .. ..	61,291			
Highways .. ..	72,486			
Charities, Hospitals &c... ..	55,086			
Education .. ..	248,749			
Recreation .. ..	25,272			
Miscellaneous .. ..	35,058			
Public Service Dept. .. ..	66,700			
Interest .. ..	154,630			
Outlays .. ..	255,903			

all sorts,\* 101 lakhs in debt or about 35%; 77 lakhs on services of all kinds to the community, or 26½%; and the rest on miscellaneous and unclassifiable items. In Calcutta, the Chief Accountant's report for 1921-22 gives the following distribution of expenditure

	Amount (Lakhs)		Percentage	
	1920-21	1921-22	20-21	21-22
Establishment (including Pensions &c. Provident Fund contributions, leave, war and grain allowances, Commissioners' fees)	41.57	46.07	26	26.7
Loan Charges (Interest and Sinking Fund.)	40.17	38.43	25.2	22.3
Works and other charges .. .. .	77.65	87.83	48.8	51.0

This exhibition would suffice to show that the labour cost of municipal service in this country bears a very high proportion to the total cost of the same. Municipalities in India are employing an ever-growing labour force, particularly in their health, conservancy and education departments; but the lower ranks of wage-earners in municipal service are paid no better than the competitive wages, which work out at some 54 rupees per month for an average Mill operative in the city. Neither the clerical nor the manual-working staff is paid at excessive rates: and the item of labour may quite conceivably have to be increased if the city undertakes any of the functions we have suggested it should. But that factor would be, in our judgment, nowise objectionable, so long as the general administration of the municipality does not become top-heavy.

#### V.—Financing of Public Health Activities.

A specific and detailed consideration of individual items of expenditure would occupy too much space, and not quite profitably. The utmost we need attempt is a consideration by the several groups; and for that it would be necessary to refer in each case to the tables of expenditure already given in the previous sections of this Chapter.

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\* The Establishment Charges adopted by the Bombay Corporation, and given in an appendix to the Budget of 1925-26, aggregate Rs. 77.63 lakhs p. a. in all departments. But they do not include the 16 odd lakhs of the Educational salaries and wages, nor the General Administration charge including the Standing Committee Fees and the salary of the Commissioner and his deputy.

The Debt charge on a city like Bombay or Calcutta would not be correctly estimated if only the Municipal Debt proper is considered. In each of these cities, there is a Port Trust and a City Improvement Trust, which are heavily indebted institutions. The Debt of the Bombay Port Trust amounted on 31st March 1924 to 22.24 crores, and that of the Improvement Trust to 13.54 crores on the same date, which with the 14.12 crores already outstanding on municipal account proper on the same date, makes a grand total of close on 50 crores; and that is steadily growing.



Health Expenditure: waste

Taking first the Expenditure on Public Health, a glance at the tables above referred to would show that, apart from the expenditure accounted for by the Debt charges in connection with large public works of considerable public benefit, e.g. a copious water supply or a sound sewerage arrangement, the charges are divisible into establishment cost, including wages and salaries for the most part, and materials required, including repairs and renewals. The establishment cost naturally takes the lion's share of the total expenditure. The question may well be asked if all that cost is in proportion to the value received, i.e. work done in exchange for it; and a reference to the statistics and information furnished by the special Retrenchment Inquiry in Bombay gives reason to believe that the work performed in exchange for the establishment or labour cost to the municipality is inadequate. Thus in the case of the motor ambulances (7 in 1923-24) for removing to hospitals cases of Infectious Diseases, while in Bombay, the ambulances ran 5.1 miles per gallon of petrol, in an English city,—Spenborough—it was doing 9.06 miles per gallon; and while in this city it cost Rs. 31-14-3 per case removed, in the British city, the cost per case was only Rs. 19-5-6; in Bombay the cost per mile run was 3-3-9, while in Spenborough it was 1-0-6. Or take the case of the Conservancy, including the Halalkhore branch, which cost 16.88 lakhs in 1913-14 in Bombay, and 41.70 lakhs in 1924-25, or an increase of over 150 per cent. in 10 years. The Road scraping and scavenging labour charges were 4.36 lakhs in 1913-14 and are estimated at 11.50 lakhs for 1924-25. The total labour strength is 4683 persons in Bombay, 1059 in Madras, with a population of 5,26,911;\* while Calcutta had 4,038 (population 11,32,256). The Eastern and Western metropolises of India are pretty nearly of a size to be fairly compared with one another; and even on that basis, Bombay has a scavenging staff in excess of requirements by about 500. In countries of the West, the average work expected from a scavenger is about 5,000 sq. yards of road surface; but in Bombay the work averages less than 2,000 sq. yards (1988 according to the Retrenchment Report) per scavenger. On the American model, the staff could be reduced by 150 per cent to about 2000 in round terms, and yet the work would not suffer in the least. Take one more example of the same sort. When mechanical traction was first introduced in this department, it was thought it would eventually replace altogether the animal traction, and effect considerable economies into the bargain. The mechanical branch has been steadily growing, and yet the bullock branch shows no reduction. Of the bullocks maintained, about 25 per cent are on an average on the sick list, which therefore demands searching investigation, as the Retrenchment Officer has pertinently pointed out, if we do not wish to turn the Municipal

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\* A proper basis of real comparison would be not population, but the area of the road to be scavenged.

stables into *pinjrapoles*. The number of cart-drivers maintained shows an excess over sanctioned strength of 91, thereby exhibiting a pure wastage of over 26,000 rupees per annum.

These instances ought to suffice to show that there is great room for a proper lay-out of municipal expenditure in India so as to get the full worth of the money spent. The Retrenchment Committee in Bombay recommended a saving of 11.23 lakhs, of which 8.30 lakhs were accounted for by scavenging, roads and drainage.\*

We shall discuss, in another section of this chapter, the great and difficult question as to where mere retrenchment in expenditure ought to commence, and where the proper economy of Municipal finance ought to be considered as ending. Here we might say a few words as regards the proper methods of financing great and costly projects of civic development and amenities, such as water-supply, drainage or city-planning in general. It is obvious that these are projects necessarily costing so heavily as to be all but impossible of construction from the current revenues of a municipality. Financing them from the borrowed funds thus becomes inevitable; and once recourse has to be had to borrowed funds, the provision for Interest and Sinking Fund charges also becomes inevitable. But the art and excellence of the city financier would be visible according as he meets and provides for these liabilities. The two main questions that he must determine in all such cases are:—Does the city get the best material at the cheapest cost? and Does the present generation bear the fair burden of the improvements effected in the amenities of city life? Neither of these questions is as easy to determine as it seems at first sight, perhaps; and the answer very often varies according to the particular project, its cost and importance to the civic public.

Proper Method for financing costly projects of civic improvement.

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\* Summary of Retrenchments suggested by the Special Committee in Bombay :—

	Rs.	
In General Supervision, collection of revenue &c. ..	5,442	p. a.
„ Water Works .. .. .	53,464	„
„ Public Health Department .. .. .	90,334	„
„ Hospitals & Medical Relief .. .. .	44,702	„
„ Street Cleansing & Conservancy including watering	3,13,318	„
„ Roads and Overbridges .. .. .	3,58,324	„
„ Drainage and Sewerage including Halalkhore branch .. .. .	1,58,908	„
„ Building Regulations &c. for Public Safety ..	62,996	„
„ Markets and Slaughter-Houses .. .. .	35,398	„
Total Rs. ..	11,22,886	

The retrenchments suggested do not aggregate more than 3½% of the total municipal expenditure, but more than a third of the expenditure is fixed and unalterable; and in the remainder, contractual obligations or vested interests prevent any substantial retrenchment.

## A. Water-Works Finance.

Distinction  
according to  
the uses of wa-  
ter.

Take the case of Water-works. It is generally admitted that large water works, commensurate with the requirements of modern cities, cannot but be constructed from borrowed funds. But, must all the water needed for the several kinds of water needs,—domestic, industrial and public or municipal,—be obtained from the same source at the same cost? It is possible, it would seem, to differentiate between water required for road-cleansing, gully flushing or drains cleaning, and that needed for domestic or industrial purposes. For cities on the sea-coast or river-banks, it may be perfectly easy and economic to distinguish between water needed for house-hold use and that wanted for street cleaning and drainage purposes, using properly purified water from specially constructed water works for human consumption, and the natural sea or river water for all other purposes. The distinction is at least worth considering practically; and hitherto that degree of consideration does not seem to have been given to it as would justify the dogmatic assertion that the proposition is either not feasible or not economical. Bombay, for example, which makes no distinction as Calcutta does, between filtered water and unfiltered, and which is therefore unable to provide quite as much water as Calcutta does, might use with advantage sea-water for a variety of purposes hitherto not at all considered even; and so reduce the cost to the city of the water-supply, or increase the supply at the same cost. The latest additions to the Bombay Water Works, which would assure to the city a hundred million gallons per day when completed, may, however, not prove quite as copious as at present believed, if the expansion of the city goes on at the same rate in population, as it has done in the last ten years. For this reason, also, it would be desirable, even now, to consider the possibility, economically speaking, of the use of sea-water in Bombay, for conservancy purposes at least. For until this question is considered and disposed of satisfactorily, the Municipal authorities of Bombay cannot claim that they have obtained the best service in the cheapest way.\*

Distribution  
of Burden be-  
tween present  
and future gen-  
erations.

As regards the incidence of the burden, or rather its distribution between the present and successive generations, wherever public works have to be constructed from borrowed funds, a certain degree of adjustment between the present and the succeeding generations is inevitable. But it must never be forgotten that, in practice, each generation of citizens has its own financial problems to deal with as affecting the requirements of the city. And though it is

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\*"As a rule, only one set of pipes is provided; but a few cities have installed the dual system,—that is to say, one set of pipes to convey pure water for drinking and domestic purposes, and another set to carry unpurified water for commercial and public use....Paris affords a good example, with its double system of pipes carrying *eau potable* and *eau non potable* respectively. *Munro Op. cit.* p. 154.

regarded as an indispensable mark of sound finance, in such projects as water works, that adequate allowance must be made in planning such works for the normal expansion of the city, by their very nature, such works cannot be regarded in the rapidly growing cities of to-day, as absolutely dependable for even a generation. It is not even ten years since the latest improvements in the water supply of Bombay were finally sanctioned and taken in hand; and yet already, the more far-seeing of the municipal officers are considering when the next expansion would have to be made, and where. Under these circumstances, sound principles of financing city water-works would be to construct such works from borrowed capital if need be, providing at the same time a sinking fund for redeeming the bonds when they fall due. Even if the city's water supply is not to be used by the city itself as a commercial commodity to be sold at a price which would benefit the city's exchequer, it must be distributed so as to make the water-works self-supporting. Hence the special water-rate which is so fixed as to cover the interest and sinking fund charge, together with all the cost of maintenance, repairs and the usual replacements. It is bad finance and worse planning in which, every five or ten years, the city finds a shortage of water-supply; but it would be equally objectionable to plan so extravagantly as to make the burden of the water rate far beyond the ability of the people.

"Although" says Munro in his *Principles and Methods of Municipal Administration*, "every city has its own peculiar problems of water-supply financing, there are some broad principles which all municipalities may be urged to follow. In the first place, funds for the construction of a water-supply plant, and probably for extensions also, should be obtained by the issue of serial bonds and not by means of bonds payable out of sinking funds . . . . . There is something to be said, in the case of water-supply bonds, for having the first serials mature five or more years after the loan is made, that is to say, when the plant begins to yield its full revenue: but the last bonds in the series should mature within the estimated life of the plant: and if there is any doubt on this point, the bond and not the plant should have the benefit of it. When this is done, allowances for depreciation need not be provided: for it is hardly fair to ask one generation of users not only to pay the initial cost of the works, but to maintain a fund for their reconstruction as well. . . . Secondly, ordinary renewals and replacements ought to be paid for out of income: the question as to what is properly a current and what properly a capital expenditure under this head is one that can always be settled by reference to the practice of well-organised business concerns. . . . Finally, if there is any equity in the plant, a reasonable return upon it should also be provided out of the annual income." (p. 161)

On the criteria here laid down, the water-works finance of many an Indian Municipality must be pronounced to be defective. The works have proved inadequate in far less than a generation: and renewals and replacements have unavoidably been confused with genuine capital expenditure. Sinking Fund

Critique of  
Water-works fi-  
nance in India.

has been the rule, and Serial Bond the exception, if it is, indeed, properly appreciated at all. The adjustment of the burden between the generation that constructs the water-works and that which gets the full benefit of it,—if any single generation can be said in India to have a full benefit of the works in the capital cost of which it has not taken a share,—becomes almost impossible. Water rates are in the nature of special taxes levied so as to meet the costs of maintenance and operation,—interpreting these terms narrowly or liberally according to the financial situation of the municipality,—and yield a margin of surplus to meet the Interest and Sinking Fund charges due to the capital cost of the works, leaving however no margin to provide for those ordinary extensions which are exemplified by the triplication of the Tansa main in Bombay. Moreover, those responsible for the actual carrying out of the works, can hardly be said to have paid adequate reasonable attention to the condition of the market at the time of making the arrangements for the water-supply extensions or additions; and hence it is that the critical student is compelled to pronounce adversely on the question of water-works financing in India.

### B. Drainage Finance.

Financing of  
City Drainage.

Drainage works, like water-works, are usually considered too costly to be carried out of revenues, and so drainage debt is quite a feature of the municipal indebtedness in many parts of India. There is, however, a material difference between the financing of water-works and that of drainage works, which arises out of the varying practice in this regard of European and American countries. In America, the practice is to consider drainage facilities as among the primary functions of the Municipality; and as such, the annual drainage charge including the cost of maintenance, interest on bonds and contributions towards sinking funds on drainage account, is met from the general revenues of the city. In Germany, on the other hand, the practice seems to be to consider modern drainage facilities as something special; and so the cost is defrayed by a special sewerage rate charged on each house-holder. In America, too, the principle of modern drainage works being something special is not utterly unknown; for a number of cities, there, have charged a part at least, of their improved drainage systems to the owners of the adjoining private property by special assessments. In India, we permit a special sewerage tax,—the Halalkhore tax—and the proceeds of that tax are expected to equal in amount the cost of maintenance as well as interest charges due to drainage loans and sinking fund contributions for the same purpose.

### C. Finance of City Planning.

City Improvement  
Finance.

The financing of extensive projects of city improvement must needs be met from borrowed funds; and those, familiar with the conditions of modern industrial cities in this country, cannot for a moment doubt the need for im-

provement. But in considering projects of civic improvement, which we regard to be particularly within the jurisdiction of the municipality, regard must be had to the ability of the people to bear the burden sought to be cast upon them by those unfamiliar with the economic ability of the people. Town planning projects are, as a rule, far more costly than most other activities of municipalities; for in this case, the factor of compensation to private proprietors enters very considerably. Unless the municipality is armed with powers of compulsory acquisition of lands required for city improvement purposes, with but slight regard to compensating the adjacent owners of property acquired, it would be impossible to carry out city improvement projects with reasonable economy. Further, every portion of the city improved adds to the value of the property adjoining. The full increment in the value is the result of the action of the municipality. Why should it then not have the full benefit of such increment? Special assessments on adjoining properties benefitting by city improvement projects are not unknown; but we contend the municipality has a right to take the full increase in value actually accrued, and reserve to itself the right of participating in all future increments of a like description. This double aim can be accomplished if the city improving authority buys out wholesale all the property required by it for improvement, and when improved, leases it in suitable lots to private builders at economic rent, with due regard to the use of the property by the builder or the lessee. The policy of the City Improvement Trusts in the Indian municipalities approximates closely to this ideal; and though the projects of city improvement in this country cannot all be pronounced to have been utterly free from every fault of extravagance, on the whole, there is reason to hope, the activities of these bodies will eventually pay for themselves.

We cannot, however, say the same thing, or anything near it, for the city improvement scheme comprised in the so-called Bombay Development project. The venture is complicated by a variety of aims mixed up inextricably with one another. The scheme to reclaim 11,000 odd acres from the Back Bay is a grandiose affair, whose costliness is intensified by the boom-time inception of the work, which is now sought to be carried through, despite all opposition, by the seemingly unanswerable logic of the *fait accompli*, of the amount of several crores already having been sunk in the project in the four years of its stormy history. The statesman has yet to rise in India, with courage and imagination enough to perceive that the amount sunk already makes no good reason for sinking still more; and that there is a wisdom in cutting the losses while it is yet time. But it requires very little imagination to realise that the finances of the Back Bay Reclamation project are mixed up inextricably with those of the industrial housing section of the collective project described as Bombay Development; and that the misfortune of the one might quite probably,

though quite unnecessarily, affect the fortunes of the other. It is possible to consider each of the projects of suburban developments, transport improvements, industrial housing, separately; though, of course, all of them are mutually connected. The Back Bay project, on the other hand, is a pure luxury, which is not likely to pay for itself in spite of official calculations as to eventual realisations; and the deficit therein will either affect the programme of industrial housing in the city, which is far more badly needed than the Back Bay reclamation, or the Suburban Developments, and transport improvements.

A constructive scheme of city development would, of course, vary with the particular considerations affecting each city. But of Bombay it may safely be said that the 11,000 odd acres proposed to be recovered from the sea by the Development project mentioned above, at a cost of 8 crores as estimated, could have been easily obtained on the hill-slopes across the Bombay harbour, for probably not more than one-tenth of the cost of the Backbay Reclamation. The colonisation of the ghat-slopes across the harbour may seem less grandiose than forcing the sea to retreat at the fiat of a Governor, and making it yield its surface for the use of man. But economically as well as socially, we have no doubt, the alternative we have suggested would be far more acceptable. For with a railway tunnel across and under the harbour joining the mainland of Western India with the island of Bombay, the daily movement of people to and from the city could be very easily, economically, expeditiously accomplished. And the entire scheme, including roads, drainage, lighting, water and transport facilities, would not cost in the aggregate, we should think, more than the single item of land reclamation from the Back Bay is estimated to cost under the present Development project. Perhaps, in view of the failing attractiveness of the suburban projects and the growing costliness of the Reclamation scheme, it may not be too late even now to consider the alternative we have suggested here.

#### D. Finance of Municipal Trading Enterprise.

Commercial  
ventures.

As regards the financing of the industries and activities allied with the maintenance of Public Health in municipalities, they are, we think, all capable of being made self-supporting, collectively speaking; and, being productive, are the fittest objects for civic borrowing, perhaps. But in view of the existing indebtedness of the Indian cities, and the limited ability of their peoples to bear the burdens which every loan must involve, at least in the initial years, we cannot recommend fresh indebtedness specifically for such trading ventures. Besides, in several cases, a rigorous reading of the Municipal Acts might prevent the cities from embarking on ventures, which, though they may have proved successful elsewhere, might not prove equally successful, financially, under the laxer atmosphere of India. Under the circumstances, the best and easiest way for enterprising and enlightened municipalities to extend the scope of municipal

enterprise would be to devote all or any surplus they may ordinarily have in their current revenues to the extension of the trading enterprise, beginning with ventures like the lighting plant and fire insurance work, which are either capable of being considered as comprised among the primary functions of the municipality, or which may be demonstrated as involving no very great outlay for a start. The undertaking of transport facilities, both for passengers and goods, chiefly parcels, within city limits, either by means of feeder lines to the main system of transport already existing, or by the municipality acquiring the entire transport system of all kinds within the city limits and suburban area of a reasonable size, may involve more or less borrowing; and may be similarly brought within the purview of the existing municipal acts. But, in the last resort, municipal acts will have to be amended to suit the altered angle of vision of an enlightened citizenry, which would not sacrifice what are clearly its proper rights to private, profit-making enterprise.

#### VI.—Expenditure on Public Convenience and Public Safety.

In view of what we have already said on municipal expenditure on projects of public utility like drainage and water works or city improvements, we need hardly add anything particular in this group, beyond inviting attention to the table of comparative expenditure given ante p. 330-1 and pointing out that hitherto all projects of Public Convenience and Safety, or those ancillary to the municipal functions of Public Convenience and Safety, have all been left almost wholly and unchecked in private hands in this country. The Municipal authorities in India seem yet to have to learn their obligations in this regard, and to appreciate the economy of municipal enterprise in all these matters. Says the special Retrenchment adviser of the Bombay Municipality :—

“ To the growth and planning of the city, water, gas, electric supply and tramways have a vital relation. So important are they to the communal life of large towns, that in most of the western countries a great majority of the municipalities own and operate them. Utility services being generally monopolies and not subject to competition, they should, as far as possible, be under the strict control of the city corporation.”

The gas supply is in the hands of the Bombay Gas Co. Ltd., and there does not appear to be any adequate control exercised over it by the Corporation or any department of the municipality. Every gas company in England is compelled by law to supply gas of a specified calorific value, and is subjected to inspection and control by the local authority and the Board of Trade. Bombay Act V of 1863, which confers certain powers upon the Bombay Gas Co. Ltd., does not place any obligatory duties or standards upon the Company. In effect, the Company has an unrestricted monopoly. This is not to the advantage of the city, and the corporation ought to consider what action is required to safeguard adequately the interests of the City with regard to its gas supply. (para 27)

Essentials of  
Public convenience.



Utility Servi-  
ces in Private  
hands

The special Retrenchment Adviser is, it would be interesting to note, a veteran champion of individualism, or profit-making private enterprise; and it is understandable that in spite of recognising the municipal enterprise in this direction in more advanced countries, he should be content merely with recommending more thorough control of such private corporations ministering to the public utility for an Indian municipality. He forgets easily the impossibility of making such control effective in practice, even if it were duly provided for in the agreement, unless the Municipality is prepared with the alternative of direct action by its own enterprise in the same direction, at least for its own service. But when such a personage with distinctly "individualistic" views should pronounce that the control is practically non-existent, we can easily understand what must be the exact position of such services. The Bombay Municipality has, moreover, very shortly to reconsider its agreement with the Gas Company for lighting the streets of the City; and though the Special Retrenchment Adviser has omitted to offer the City fathers any advice as to what should be done at the next renewal or reconsideration of the lighting contract, that is no reason why the municipality should not begin already providing for a likely contingency. It has spent lavishly on water-works. Even if there be no means to utilise these water-works for the production of electricity just enough to meet the civic lighting needs for the present, leaving traction and industrial requirements to be considered at a more appropriate later date, we do not see why the city fathers should not consider alternative sources or means of electric supply for the public needs of city-lighting, which are not included in the monopoly of electric supply granted to the Bombay Electric Supply and Tramways Company, Ltd. The Corporation will, in all probability, obtain better terms if it has its own alternative sources of supply, when eventually, at the expiration of the present monopoly for electric supply within the city, the Municipality makes up its mind to acquire and run for itself the electricity works. Lighting power and domestic necessity may then be met far more easily, and in our opinion, far more profitably, than is likely to be the case under private profit-seeking enterprise, usually of non-Indian origin and management. It would be utterly wasteful, we think, for the city to wait without taking any step whatsoever until the term of the existing monopoly naturally expires.

Expenditure  
on Fire Brigade

In measures of Public Safety, the principal cities in India have their own Fire Brigade and render a very considerable amount of service through this department. But though the city maintains usually a creditably efficient Fire Brigade, the real benefit of it goes to the private, and often non-Indian, Insurance companies doing business for profit-making within the city. There is no reason why the Indian Municipality should not undertake Fire Insurance

business.\* Estimates of the outlay on such account might be difficult to prepare for those unacquainted with the internal economies of the insurance business; but it would be by no means impossible for the city to make working estimates of what it may have to provide, if it undertakes insurance work, and also what it may obtain by way of revenue from this source.

The principle of municipal enterprise in Insurance work once accepted, <sup>Duty of Insurance.</sup> there need be no difficulty in its extension to other kinds of that work. Accidents from street traffic, for the regulation and safety of which the municipality does or should take so much pains, is another such obvious direction for the extension of this business in municipal hands; while as regards insurance against industrial accidents or disabilities, as also, for the general life insurance provision, the municipality has at present all the burden and no benefit whatsoever. For all its activities in regard to promoting the public health of the city ought to diminish the ordinary risks of insurance business; but the benefit of this reduction will not fall to the share of the municipality while it leaves the whole of the insurance business to private profiteers. This branch of Municipal activities may be considered from the standpoint of revenue as much as from that of expenditure, whereby the municipality is supposed to undertake this function because it renders a very effective and much needed service to the civic community. Even if revenue is not to be considered as an important factor; and if service to the community is to be given predominance in the scheme of insurance developed by the city corporation as a branch of its social service programme; the lower charges or wider benefit to the community would be a distinct gain; while the municipality will have very little additional, unbalanced expenditure. In Indian cities, where industry of the modern type has made large strides, and where labour conditions necessarily expose the citizens to grave risks of personal injury or permanent disability, the scheme of industrial insurance,—if necessary and advisable, on a compulsory system,—ought to be undertaken without the least delay by the civic authority, as representing the State. For the State as a whole would not be

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\* It may be remarked that Fire Insurance business by the Municipality for the municipality is not entirely unknown in India. Rangoon has since many years maintained a fund from current revenues to obviate the need of covering municipal buildings and property by insurance with private profit-seeking corporations. In 1923-24, this fund had grown to Government securities of the face value of Rs. 7,51,200. The interest on these securities amounted to Rs. 29,778. The contribution required from municipal revenues is Rs. 30,000; so that, at present, the city revenues have practically no charge on insurance account, and yet the city properties are duly covered. The benefit of this arrangement is confined to the municipal property only; but there is no reason why the analogy should not be extended to the entire range of insurable property in the city. The property chargeable to the general tax in Bombay is valued at over 11 crores; while property and goods of all other sorts put together must aggregate some hundreds of crores in value. If the city insures them all, on a modest estimate of 200 crores of insurance business coming to the city, the corporation might derive a revenue upto a crore of rupees per annum. There may be claims payable, per contra; but in the hands of a municipal corporation, with a control of water facilities and building regulations, the risk would be very considerably diminished.

able in the near future to undertake the industrial insurance business, in a predominantly agricultural community like India. What insurance work it finds it necessary to do will be and must be on account of the agrarian community, and to cover the common contingencies of agricultural life in India, like famine or cattle mortality. The Municipalities in the industrial towns may therefore be quite fitly empowered, as delegates of the State, to call upon the industrial establishments within their jurisdiction, to join in a common scheme of industrial insurance, where the employer as well as the employed contribute their quota, and the municipality makes its own contribution, too, in the event of the contingency insured against happening in any particular case. The proportions in which such contributions should be paid; the regulations under which such benefits should be claimed; the authorities by or through whom the funds should be administered; the scale of the benefits, the safeguards against abuse; the ordinary helps to good health and sound physique that should be provided, are all matters of detail, which can be easily worked out, if once it is decided that the municipality should undertake the ordinary insurance work of a highly industrialised community like that of Calcutta or Bombay. But it may be confidently remarked, even at this stage, that the several branches of the Insurance work would mutually balance one another, if they do not result in a positive gain for the Municipal treasury, even if revenue is made entirely a subordinate consideration in the general administration of the insurance work. Insurance business, we may notice in passing, is by no means so technical as to make it utterly unadvisable for a body like the municipality to undertake, for want of the necessary talent or understanding of that business. The principal cities of India can already command some experience and talent in this direction for purposes of general management and supervision; while the technical side such as actuarial work may quite easily be provided for the time being by specially imported experts.

Municipal  
Bank.

Connected with Insurance business, and also as a matter of public convenience, we might mention, in this connection, the case of the **Municipal Bank**. A municipal bank in a city like Calcutta or Bombay could do immense service to the local trading community, even if it is run on the most approved and conservative lines of the utmost safety. For such great centres of thriving commerce have habitually large reserves of deposit money available, which could not be attracted by private banks free from any regulation as to the kind of business they may or may not attempt, but which could be very easily attracted, given proper enterprise and zeal among the promoters of such municipal activity. While such an institution can be of immense convenience to the commercial and even the industrial interest of a civic community, the municipality runs no risk worth speaking; while its gains may be quite considerable, if the managers and directors of the municipal bank are chosen with care, and solely with an eye

to qualifications for the work in hand.\* The Bank could easily attract deposits of ten crores in Bombay or Calcutta, even if its operations are confined to the city limits; and the saving or earnings of interest &c. might make a difference on the right side to the municipal treasury of several lakhs per annum.

Incidentally, we may point out that one of the defects most commonly mentioned as characterising the economic organisation of India is the paucity of banking facilities, and the relative unfamiliarity of its peoples with those facilities. If banking habits are to be encouraged in the country, encouragement of municipal banks would be the best and the most effective method for developing and spreading sound banking in the country.

A Municipal Bank, let us add by way of specific illustration, in a city like Bombay for example, would be free to do all the ordinary banking business in the city, besides acting as the Bank for the Municipality. It would receive deposits, both fixed and on current as well as Savings Bank accounts. We hesitate to estimate the total of such deposits; but a Municipal Bank, enjoying the fullest confidence of the city and its people, would be a very poor affair if it failed to attract Rs. 10 crores; and may very probably have as much as 100 crores. If the deposits are free of interest, as in the Imperial Bank,—at least the current account deposits,—the saving in interest alone may reach from 50 lakhs to 5 crores per annum; and if the Municipal Bank makes a saving of even 1% on these deposits in interest, it may earn as much as 1 crore per annum. The rest of its daily business,—discounts, cash credits, and the usual loans—will earn another crore net profit per annum at least; but will probably be much more. Of course, the Municipal Bank will be expected to do banking business with the trading departments of the city on preferential terms: but even then, the saving to the Municipality will be immense and undeniable. On the other hand, if, by special statutory provision, the Municipal Bank is allowed to do Real Estate and Building Loan business; and if that business is conducted under adequate safeguards by competent and properly qualified officers, there seems to lie a veritable mint of money in that branch of almost pioneer work in a practically virgin field. So, also, with regard to the charities, Insurance finances, and other such special business coming to the Bank. Altogether, we think the earning capacity of a really sound, up-to-date Municipal Bank in a city like Bombay or Calcutta, is practically unlimited,—the annual profit of 5 crores from all sources and kinds of business done by the Bank being the most modest estimate we can think of in this connection.

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\* A proposal for instituting a municipal bank was brought before the Bombay Municipal Corporation in 1924, but was considered to be premature. While the city authorities are investigating into the feasibility of the proposal, let us observe that no proposition would be practicable, if it is approached in a spirit of detachment.

Special Local  
Currency—  
or Bank Money.

A Special service, which the institution of the type of Banks here envisaged is likely to render not merely to the city but to the entire world of Indian commerce and industry may be mentioned here specifically and separately. The operations of a Municipal Bank may quite justly and properly be confined to the city, though within the city limits as many branches may be opened as the city bank authorities deem advisable. But, subject to this restriction, why should not the Municipal Bank be allowed to issue a kind of local money, which cannot circulate outside the city limits as a legal tender, but which, if invested with legal tender character in a commercial centre like Bombay or Calcutta, may effectually relieve the severe stringency we periodically experience in the Indian Money Market. The suggestion is worth considering in the interests of the country at large.

Pawn shop:

The pawn-shops and Mont de Pietes, provided in European cities by Municipalities as a convenience to the poorer section of the community, may be taken to be the natural counterpart of the municipal bank on the orthodox model. While the bank might serve the large and small trader or industrialist, the pawn-shop and other similar mortgage establishments conducted by the municipality might serve the wage-earner in difficulties, and so help to avoid the unspeakable curse of the money-lender, which is, if anything, worse in the cities than even in the more backward agricultural areas. The refined tortures of the city money-lender would be incredible unless they are personally experienced.

Revenue side  
of these Utility  
Services.

As already noted, all these items of municipal activity have a revenue side. The municipality may not undertake them primarily for profit; but if the institutions are properly managed, we do not see why profit should not result, even though the service to the community is not a whit lessened by the occurrence of the profit. And municipalities, we may be sure, can always find a use for such surpluses more beneficial to the community than the same surplus in private hands.

Transport Facilities.

On an entirely different footing is the municipal activity in connection with providing—or controlling—the transport facilities to the civic population. As already remarked, Indian cities are entirely innocent of any ambition for owning their own transport service, though it is curious to remark, that the Government of the day particularly desired the municipality of Calcutta in the seventies of the last century to provide their own transport system. The transport system will have to be conducted primarily, and secondarily also, as a service, and not as a revenue—yielding asset. Properly managed, transport facilities, owned by a city, very often result in a surplus to the city; but every time a surplus results, the city must consider means of either improving the service itself, or giving back a part of the surplus to the consumer in the shape of reduced charges, or allowing a share of the benefit to go to the operatives in the

transport service of the city, in the shape of higher wages, particularly in the lower branch. This constitutes the problem of rating for public utilities; and we think it more appropriate to reserve discussion of this problem for the chapters dealing with the revenues of municipalities. But in this place, it is necessary to add that, as in the case of the lighting plant and accessories, so in regard to the transport system, we hold it to be the most economical method in the long run for the city, and the most beneficial to its population, if the municipality owns and works every kind of transport system directly under its own agency.\* And though Indian cities have surrendered valuable concessions in this department to private entrepreneurs, there are even now directions open to the municipality in which that body might begin building up a public transport service of its own, and work it either as rival or ancillary to the existing facilities.

#### VII.—Distinction between Services of Public Utility and those of Municipal Enterprise.

Though we have spoken of it more than once before, let us note here specifically, with a view to draw more particular attention to it, the distinction <sup>Utility Service vs. Trading Enterprise.</sup> between public utility services and the departments of public enterprise. In the former case, service is the dictating consideration. Every time a department or branch of public utility results in a surplus, the municipal authority must consider how best to return that surplus to the tax-payer of the municipality. It may do so in one of three ways: either by improving the service itself by reinvesting all surplus every time in the enterprise itself; or reducing the charge for the service; or by improving the lot of the operatives conducting that service; for these operatives are themselves citizens, and any improvement in their lot must be considered as so much gain to the entire municipal community. These services of public utility must, moreover, be performed at any cost, by borrowed funds, if the revenue resources do not permit their undertaking. The branches of public enterprise on the other hand may be conducted, not primarily of course, with an eye to profit. They need not be altogether profit-making concerns; but we cannot advise that they should be financed out of borrowed funds, unless and until the proper authorities are convinced that within a given time they would be at least self-supporting; and that in course of time, they would even yield a surplus of revenue for the general purposes of the municipality. There must also be some other consideration, such as a chance of more efficient or economic conduct of the enterprise in municipal than in private hands, or the need for control and supervision for moral or hygienic,

\* There is no reason why the municipality should not own, instead of merely licensing as it now does in India through the police department, the hack horse carriages or taxi-cars plying in the city. With the experience gained, it may very easily conduct the more luxurious branch of transport.

reasons, as in the case of municipal bakeries, restaurants, and the like. The line is not very difficult to draw, but it must be confessed it is easily liable to be obscured.

### VIII.—Education Finance in India.

Expenditure  
on Education.

A glance at the tables in the earlier sections of this Chapter will suffice to show that the expenditure of Indian municipalities on the education of the citizens is of the meagrest. Bombay, which leads the van, has less than 8 per cent. of her total expenditure spent on education of all kinds under the auspices of the municipality: while the other leading cities of India are content with 1 or 2 per cent. Free primary education as the indefeasible birth-right of every citizen has yet to be recognised in this country; while extensive facilities for superior education, technical or vocational as well as general, are, of course, scarcely thought of. Speaking of American conditions, Dr. Munro observes, in his *Principles and Methods of Municipal Administration*:

“It is true that the distribution to different purposes is not uniform in all cities, but averaging the differences, one finds the figures about as follows. In an assumed per capita annual expenditure of \$17, the largest item is the cost of the public schools. This averages \$ 5 throughout all the cities of the country, or nearly one-third of the entire cost of municipal administration. Next comes interest on the city debt, which takes about \$3.50; the police and street departments require about \$2 each; the fire and sanitary departments about 1.50 each; charities, hospitals and correctional institutes about \$1 combined: while the cost of general administration, recreation, care of health, libraries, and miscellaneous expenses make up the balance.” (456)

In India, however, the pride of place seems to be given to the debt charges in the leading cities, while sanitation and health expenditure combined accounts for another big slice. The neglect of education is telling upon the earning capacity of the present as well as the future generations of citizens. After nearly half a century of modern industrialism introduced in the leading Indian cities, Indian labour still continues to be exposed to the charge of inefficiency. Indian capital has still to depend upon imported skill to carry out its great projects of further industrialisation. This insidious effect upon the public weal of the cities is, for the moment, not perceived; and, in mere fairness, we cannot blame the cities exclusively for the neglect of the educational obligations towards the people. For the finances of the cities have been pledged to the maintenance of huge indebtedness, incurred for public health and allied reasons, which cannot but demand additional taxation specially imposed for the purpose of enabling the Municipality to discharge its other normal functions. Further resources there are none, or very limited, at the disposal of the Indian municipalities; and their expansion in the direction of revenue-earning enterprise is impeded as much by the prevailing mentality in the Corporations





modicum of instruction provided by the municipality must be considered to be the birth-right of every citizen, for which the municipality must not impose any special burdens. If American cities can consider even the drainage arrangements attached to each dwelling place by the municipality as among the primary functions of the civic body, for which no special rate could be levied, surely it is not too much to expect that Indian municipalities should, at this time, be made to consider the elementary education of the citizens as among those rights of citizenship, for which no special payment could be demanded either from the individual citizen benefitting from such an activity of the municipality or from the community collectively. We do not mean, indeed, that education expenditure should be undertaken only if the existing resources permit, or that there should be no addition whatsoever to the general taxation in the city for meeting this extra expenditure; nor do we suggest that other functions of the municipality should be neglected, and attention and expenditure should be concentrated on education exclusively. All that we do mean and insist on is that no special education rate should be levied *eo nomine*, in order to bring home to the citizen the burdensome character of the work, and to obscure the beneficent nature of that indispensable activity.

Higher and  
Technical Edu-  
cational oppor-  
tunities also  
should be more  
evenly distri-  
buted.

For our part, we should like to extend the principle of the foregoing reasoning to the case of all higher branches of education, as we believe it to be the best investment a city can make; so that even from the narrow financial standpoint, the expenditure on education will amply justify itself in less than a generation. But we recognise the financial condition of the Indian municipality; and would not press the point further than observing that the leading cities, at least, should make up their mind to encourage the technical and artistic education which has so long and so unjustly been neglected. The present contribution of some of them towards technical education, and to the maintenance and equipment of libraries, museums and other aids to higher education, is of the slightest, and needs to be very considerably expanded before it can deserve the name of contribution from such cities as Bombay or Calcutta. We have no doubt that the improved road surface in these cities is an advantage to the citizens; but we are equally clear in our mind that the monies spent on improving the street surface might, with immeasurably greater advantage, have been laid out on improving the education of the city masses. The improved road surface benefits particularly the motor-car-using public, which is probably not more than 5 per cent even in the richest cities, if even as much as all that. And in the motor-car-using public, we include not merely the domestic car for business or pleasure, but also the aids to industry and commerce known as lorries. Is it really a creditable distribution of the resources of the city, that while the minds of 70 per cent of its people remain uncultivated,—even in the most advanced city of Bombay, the corporation was providing for only half the total school-going population in 1924-25,—lakhs upon lakhs should be spent upon the improvement

of roads and addition of other conveniences, which, whatever their utility, - and we do not dispute that, - cannot possibly claim priority over the demands for education? Municipal Finance in India would stand condemned beyond possibility of redemption by this single feature of its expenditure side: and if the authorities concerned would not make an effort to improve this state of things they would be only building for their own discredit.

Another important principle in financing the educational expenditure of municipalities concerns the distinction between recurring and non-recurring expenditure. Education cannot be imparted except in suitably equipped institutions, - schools and colleges and laboratories, libraries, museums &c.; and these cost a great deal to build and equip. Nevertheless, it would be a false economy which would seek to avoid the expenditure of building by renting premises extensively for school purposes in the city, as the municipality of Bombay seems to do on a large scale. If the municipality must insist on economy, a far better direction would be to see that buildings, primarily erected for school purposes, are utilised to the fullest possibility. The school requirement is usually only for 6 or 8 hours a day. With a little additional expenditure for lighting, the same building might be used for a night school, or a library and reading-room, or any other similar public purpose of general benefit to the district. In this way, the full worth of the money spent upon the building would be obtained by the municipality, and education would be freed from the tax of the private land-lord in the shape of the rent. True, the buildings when building, would cost large sums; and these being provided out of borrowed funds, as they inevitably must be, would be saddled with interest charge, maintenance cost, and repairs. But all these items put together would be less in amount, we think, than the rent the municipality would have to pay, if it merely rents private properties for its schools and libraries and other similar educational institutions. The interest &c. for the school building loan should, we need hardly add, be thrown on the general funds of the municipality; and no thought must be given to any special burden imposed distinctly to meet the educational loan charges, though of course the general tax itself may have to be raised to cope with the additional burden.

We shall discuss the question of fees chargeable by the municipality in the <sup>Place</sup> <sub>Fees</sub> of chapters of this book dealing with the revenues of the municipality. But while we are dealing with the municipal expenditure on education, it may be observed that fees must never be relied upon for meeting any considerable part of educational expenditure. Postulating, as we have done, that the rudiments of education are the birth-right of every citizen in an enlightened community, primary education must be completely freed from the burden of fees. It is true, such a policy may exempt those classes of the citizens from bearing their fair share of the burdens, who are well able to shoulder them, if we follow a blind policy of perfect freedom in primary instruction. But, in our opinion, it is better that these

classes should be exempted from their burdens indirectly, than that an exception be introduced to the cardinal principle that free, primary education is the undeniable right of citizenship. Besides, ways could easily be devised to tax the richer classes, if so it is thought desirable and expedient, by varying and extending the courses and studies in the primary schools, not necessarily all of them under municipal management exclusively, whereby fees may be charged for these extra benefits embodied in a wider range of instruction. Similarly, fees may be considered for higher education; though we must point out that much that goes in the name of higher education ought to fall to the lot of the average citizen irrespective of his pecuniary ability to afford it; and that therefore, even in this department, fees if charged, will have to be either very low, or numerous exceptions will have to be provided in order that talent is not starved out for want of opportunity. The exception may take the form of scholarships or other such special machinery; and, in fact, in the highest branch of education, such expedients would be indispensable in our commercially minded society of to-day, if the benefits of higher education are to be more evenly distributed. But whatever may be the justification for introducing fees for education facilities, they must never be framed or levied so as to make of them either a source of income to the city, or even a partial support and contribution towards its educational expenditure.

#### IX.—Municipal Expenditure on Poor Relief and Social Welfare.

Charges of  
civic Community,  
Municipal  
Administration  
of charities.

We have already observed, more than once before, that Indian cities have no officially recognised function in regard to the relief of the poor within the civic community. Accordingly, their expenditure on poor relief and charity is practically non-existent, or insignificant in proportion to the appalling amount of abject poverty in Indian cities, in proportion even to the volume of civic expenditure in general. Rangoon, it is true, does spend Rs. 33,229 on pauper lunatics, and another Rs. 9,210 on the maintenance of lepers; and other cities make indirect contributions of sorts to the relief of poverty. On the whole, however the municipal attitude is one of stolid indifference to poverty, if not of active antipathy, which finds expression in criminal legislation against the beggar and the vagrant. The fact that the religious sentiment of the large majority of the Indian people,—who are about as sincerely charitable as any people in the world—is leagued in favour of the beggar makes it impossible for the modernised municipality to take more active and punitive measures against these inevitable products of our commercial civilisation, where the distribution of riches is so intensely uneven that the beggar tends to be manufactured more rapidly than any commodity in the most modern and the most efficient of the factories specifically devoted to the manufacture of those commodities. But even if the municipalities are precluded from taking more active steps against the city beggars, they feel it no part of their duty to relieve distress, no matter how it may have been

caused. The immense amount of charitable donations, in the leading cities of India, present the spectacle of heart-rending chaos; for each individual aims at just satisfying his own particular whims, his own individual sentiments, without a thought to the real need of the community, without an idea of the utmost benefit that could possibly be derived from a proper co-operation of his charitable impulse with others of a like kind. Charity is said to cover a multitude of sins; it certainly takes a vast multitude of forms in India, and seeks to meet an enormous variety of objects, which are perhaps hardly all attended to in anything like the efficiency the charitable donor intended. The greatest single need of Indian municipalities in this department is a system of co-ordination and co-operation. Such charitable institutions and foundations as exist in each city should be managed with some sort of a central guiding purpose, and by some sort of a central authority, which would endeavour to apportion relief where it is most needed. The people need to be educated to the degree where they can perceive the advantage of concerted and co-ordinated effort for common benefit; and even if Indian sentiment rejects the municipalisation of charity which would grant all relief institutionally and by routine from the proceeds of municipal taxation, (in which the individual citizen fails to recognise his own contribution towards the appeasing of an incensed divinity or an uneasy conscience), there is no reason why Indian municipalities should not aim at co-ordinating the charity resources of the city, and managing them all as with a definite, intelligent, acceptable principle. The lakhs which are spent every year in Indian cities of the size of Bombay or Calcutta, under the undisciplined impulse of private sentiment, produce no better result than an intensification of poverty and misery, and perhaps even an encouragement of fraud and roguery. Municipal authorities can easily demonstrate those unwelcome and undesirable products of uncontrolled, ill-informed, individual charity; and so persuade the citizens to bring about some kind of systematisation, co-ordination, and efficiency in the management of the charitable funds.

The absence of proper co-ordination is a feature of municipal organisation in India, which is very painfully and expensively illustrated by the multiplication of authorities dealing with one and the same area. Each of the presidency cities, and a number besides, have either their City Improvement Trusts as distinct entities over and above the municipal corporation, though doing the work in no way materially different from the work of the corporation; or their Port Trusts which are arbitrarily assigned a special branch of civic administration that not only overlaps at many points the work of the municipality, but which is so fundamentally akin to the work of the municipality, that both the organisations would gain in financial strength and resource if they were merged into one, or at least made to function co-ordinately, with constant mutual co-operation and understanding or both. The revenues

Financing of  
civic improve-  
ments and  
Development  
and Consolidation  
of all City  
Authorities  
into one.

realised by all these bodies put together, in a single city like Bombay, aggregate nearly 6½ crores per annum (1923-24). These are derived, for the larger part, from taxation of some sort on the industry and commerce of the city. It ought to be the steady endeavour of the city authority so to adjust the burden on the city as to reduce its pressure to the lowest possible limits on these the vitalising streams of the city's wealth. But the multiplication of authorities dealing with what is essentially the same kind of functions, necessarily results in an overlapping of taxation\* that cannot but affect injuriously the wealth of the city. And the service to the city, its trade and industry, would be, in our judgment, far more efficient, if the various bodies dealing with the city were all consolidated in the single municipal authority. That body may have, we recognise, to evolve some special machinery, like that of the executive committees mentioned in the special Retrenchment Report of the Bombay Municipality, for the satisfactory administration of the port and the docks, the roads and buildings, the schools and hospitals, the water-works, drainage works, and improvement works of all kinds, not to mention the transport service, the light and power plant, and other trading ventures, if and when developed. But that is not impossible; and in view of the benefit likely to result from such a consummation, we have no hesitation in recommending the consolidation of all city authorities into a single central organisation.

#### X.—Retrenchment and economy.

Economy vs.  
reduction in  
expenditure.  
Wise spending  
may be no  
Retrenchment.

In considering the expenditure of a municipality, it is of the utmost importance to bear in mind the vital distinction between retrenchment and economy. The former, as interpreted by the several retrenchment committees or commissions recently at work in this country, consists in a review of each individual head of expenditure by itself; comparing it with the amount under the same head in a previous year, usually the last pre-war year; estimating the increase made, with some perfunctory allowance for the increase in prices or the depreciation in the value of money; and then suggesting an arbitrary *ad hoc* reduction with an eye exclusively to curtail the total volume of expenditure. In such a view of the task of retrenchment, no attention is or can be paid to the effects, other than financial, of such reductions; no consideration is or can be shown to the bearing of the expenditure on the ability or welfare of the community, on its need and requirements, and on its relation to the resources of the community concerned. It is hardly understood even now in India, that public expenditure, wisely planned and well laid out, has an

\* We may cite as an example the case of the non-refundable town duty now favoured by the Bombay Municipality, which would fall on commodities that would also have borne the port dues in some form if imported by sea; or the cotton cess specially created for the benefit of the Bombay Development Directorate, which must be repeating itself in some form at some stage before the cotton imported into Bombay city is finally consumed there or disposed of.

intimate bearing on improving the ability of the people for whom this expenditure is incurred, and so adding to their resources; that at least in the case of municipal authorities, the bulk of the functions assigned to them are such that of necessity the expenditure must react immediately upon the ability of the people; and that therefore the sound financier in municipal administration is not he that advises a rigorous, inexorable curtailment of specific heads of municipal expenditure; but rather he who indicates additional avenues for productive or profitable and serviceable spending that would return in ever increasing quantity to the community that spends.

True economy in municipal finance thus differs materially from the mere retrenchment that seems to have nowadays got into fashion with the guardians of the Municipal purse in India. It is the result, probably, of an unthinking imitation of the unwise example set to them by the central governing authorities, who, under irresistible pressure for retrenchment, undertook a campaign of *ad hoc* curtailment of public expenditure in departments where they were relatively indifferent. The Municipal authorities must also be held to be lacking, not merely in imagination, but also in financial acumen or statesmanship, when they have blindly followed such a lead, and insisted on mere curtailment, without even a consideration of the relationship between revenue and expenditure in the financing of all public bodies. For a proper economy campaign in public finance, it is indispensable to consider revenue side by side with the expenditure side of the balance sheet; for then only can a comprehensive idea be obtained of the resources and obligations of the public bodies concerned; and means devised for promoting the real welfare of the community concerned by a judicious attention both to revenue and expenditure, after a proper appreciation has been had of the consequences of each item of expenditure on the welfare of the community.\*

The foregoing remarks do not imply that there never can be room for mere retrenchment in public expenditure. On the contrary, unless a wary eye is kept incessantly on the disbursements of the public treasury; unless a most efficient system of audit is devised for controlling and regulating public expenditure, there will be constantly occasions in which the need for simple retrenchment would become irresistible. And even with the best of control and audit systems, retrenchment becomes frequently necessary, in the sense of a close

Blind retrenchment affects efficiency and also revenue.

Room for proper retrenchment.

\* It would be interesting in this connection to contrast the terms of reference made to the Retrenchment Committee in Great Britain, and those made to the corresponding committee in India. The former was asked "To make recommendations.....for effecting forthwith all possible reductions in the National Expenditure on supply services, having regard especially to the *present and prospective position of the revenue*." The latter was "To make recommendations.....for effecting forthwith all possible reductions in the expenditure of the Central Government, having regard especially to the *present financial position and outlook*." The difference is slight, and hardly noticeable, except to the trained eye. For, regard for revenue position is quite different from regard for the general financial position and outlook, as in the latter case the ordinary revenue deficit is bound to obscure all other pertinent considerations in the inquiry.

scrutiny of the objects of public expenditure and their possible curtailment or abandonment altogether. Circumstances alter cases; and by the mere efflux of time, departments and posts which may have been once quite important may come to be superfluous and sinecures. These need to be considered and scrutinised from time to time, and the ordinary machinery for control and audit of public expenditure is rarely sufficient for this task. Retrenchment may also be most usefully made by the substitution wherever possible of mechanical for human labour in public departments, e. g. the type-writer, the addition machine, the cash register &c. Retrenchment may also be comprised to a quite substantial degree in the mere improvement of procedure and general methods, e. g. in the regulations concerning the amount of stores to be kept in the several departments, or the method according to which the rush-hour expenditure at the end of the financial year is to be scrutinised.

Real nature  
of a campaign  
for Retrench-  
ment.

But while there are these legitimate and necessary directions for retrenchment in public municipal expenditure, we must never lose sight of the real nature of retrenchment campaign, as distinguished from a demand for proper economy in the public life of a civic community. A real regard to the economy of the city's public funds and its prosperity may even suggest the handling of the public expenditure in a manner that would create deliberately additional employment for the city's labour force or the city's capital. The demand, for example, in Indian cities under nationalistic influence, that all contracts for municipal work and stores should be preferentially placed with Indian enterprise is an instance of the kind we are now considering as real economy. For though such a policy, consistently followed, may conceivably involve some loss as expressed in terms of money only, the resulting benefit is not the less substantial because it is incapable of expression in terms of money.

In all projects, then, of economy in public expenditure, the civic authorities would do well to bear always in mind the distinction between real economy and mere retrenchment; and carry out their schemes of economy or retrenchment with due regard to this distinction. Proper economy, in public expenditure cannot be effected, as already observed, without due regard to the revenue side; and that consideration therefore provides a proper link between the present and the succeeding chapters dealing with municipal revenues.

## CHAPTER IV.

### MUNICIPAL REVENUES.

#### I.—General characteristics of Municipal Revenues.

As the outstanding characteristic of municipal expenditure is that it is intended and designed to be of local benefit, so the outstanding characteristic of municipal revenue is that it is derived from local enterprise, local service or the wealth of the municipal citizens, situated within the municipal limits as a rule. The State, by its sovereign power, taxes the citizen *in personam*, wherever he may be, in many cases of direct taxation; and so does not consider whether the actual wealth from which the citizen pays his tax is within or without the jurisdiction of the State taxing him. The British Income Tax has to be paid by residents in Britain, whether or not the wealth in respect of which the tax has to be paid is situated in British territory. And, conversely, when the tax falls on the property, the State is equally indifferent as to whether or not the owner of that property is within the jurisdiction of the state. But the municipality cannot disregard these limitations; and so the largest section of its revenues is derived from local wealth.

Municipal  
Revenues distinguished  
from State  
Revenues.

A second characteristic worth noticing in municipalities which follow the British model consciously or unconsciously is that the bulk of the municipal revenue is derived from taxes on the property as distinguished from taxes on the person of the citizen. Personal or direct taxes are not unknown in the municipal schedules of taxation; and many cities on the Continent of Europe have been familiar with taxes on income which must necessarily be on the person of the citizen. But to the English financial practice, it has always appeared more easy for municipalities for their taxes to be levied in respect of the property, land and buildings, situate within the municipal limits, and consequently free from the danger of evasion, than that their taxes be levied on the citizen personally; as the freedom of movement enjoyed as an elementary political or economic right of citizenship may help to evade the tax-burdens. Taxes on property are, besides, it is thought, easier to approximate to the ability of the tax-paying entity than taxes on the citizen personally could be, especially if the tax is apportioned to the yearly value of the property taxed. And, further, the danger of evasion would be reduced to the minimum if the tax is collected from the occupier instead of the owner of the property taxed. Of course, there are many, and some valid, objections to this common English practice; and even in British municipalities, exceptions have been admitted in the schedules of municipal revenues of great

Bulk of Municipal Income  
from Taxation  
of property.



importance. Taxes on property are, by no means, the only source of revenue even in Britain. But, allowing for exceptions which the progress of municipal consciousness has created, the best and the easiest source of municipal revenue of the tax description must still be considered to be property taxes or rates common in Britain.

Profits of  
Municipal En-  
terprise make  
an increasing  
element of mu-  
nicipal income.

In progressive and enterprising municipalities, where the consciousness of municipal obligations is wider and deeper, where the appreciation of collective effort for the common good is more extensive, a growing portion of municipal revenues is derived from the profits of municipal enterprise. This is a relatively new feature of municipal finance; and, in countries dominated by the individualist philosophy of personal gain as the only motive force of human action, it is hardly in favour with the sections that still count in municipal government. Its problems in practical administration are accordingly often confused, and the issues obscured by a degree of irrelevant sentiment or prejudice, which is seldom allowed to insinuate itself in other domains of municipal finance. Nevertheless, we think, the proportion of the surplus from municipal enterprise is a steadily growing item in modern municipal budgets; it is even now not quite negligible. The municipal enterprise, yielding a surplus of profit, is often undertaken at the start, rather with a view to render service than with any clear desire to earn a monetary profit for the municipality from such an enterprise; and, indeed, even now, we should say, the correct principle for deciding whether or not a particular enterprise should be taken over and managed by the municipality, is to see how far it can be made an instrument of service and benefit to the citizens or to the city, which in private profit-seeking hands it could not possibly be. The problem of rating for the service rendered would then be treated in a manner perfectly suitable and becoming to the municipality, and the accounting also of the receipts and disbursements, the assets and liabilities of the enterprise, would be appropriate. For where service is the primary or at least the principal aim, the object would be to frame the rates so as to secure the greatest possible use of the service offered by the largest possible number of the citizens; and when a commodity or service has to be produced on the largest possible scale, the inevitable economies resulting from such an organisation would result in considerable profits, that will not all be consumed by the liberal treatment accorded by the municipality as employer to the primary producers of the particular service. The more a municipal service is conducted for purposes of benefit to the citizens, the greater would there be the chance of a surplus of receipts over expenditure in that department, and so the enterprise will justify itself even on the narrow financial grounds, quite apart from the justification on the broader ground of service rendered.

Connected with the revenues derived from the trading or service enterprises of modern municipalities may be mentioned the item of receipts from municipal domain and property. As a rule, the municipality possesses property only within the city limits; and the rents &c. derived from such property are often set off by the free quarters and other such advantages granted to the municipal employees. But the income from the sale or lease of properties improved by the city authority is a net addition, which is counterbalanced only by the amount due in respect of any loan that may have been incurred for the purpose. The special assessments, due to improvements on property made by the municipality, which make a prominent feature of municipal revenues in many foreign countries, are often considered to be indistinguishable generically from the ordinary tax-receipts. But at bottom these are also, in our opinion, of the nature of income from municipal domain, which the municipality prefers to base on its sovereign power of taxation with a view to avoid difficulties arising naturally in the attempt to approximate them to the economic price or rent. Apart from these rents of properties situate within the city limits, in some countries, and particularly in Germany, municipalities are allowed to acquire landed domain outside the city as well, for one or another reason of social service to the citizens. Woods and forests are acquired and used for purposes of affording parks and recreation grounds to the citizens; and though the income from these may be insignificant, the land acquired and developed by the application of the city sewage and night-soil as manure often yields considerable net revenue. Similarly, mines and mineral springs are exploited for the benefit of the citizens as well as non-citizens for revenue purposes, when the service object has been duly accomplished.

Rents and  
Income from  
Municipal prop-  
erty, and do-  
main.

Of a like character are also the receipts by way of interest &c. on the various sinking and other funds maintained by a municipality. Of course, on the balance, these receipts are almost always more than counterbalanced by the payments that have to be made on the city's loan account; but they nevertheless constitute an item, which is becoming daily more significant with the growth of the city's activities and indebtedness.

Interest Re-  
ceipts on Muni-  
cipal Funds.

## II.—Various Sources of Municipal Income.

In outlining the characteristics of municipal revenues, we have already enumerated the principal items or categories of municipal income; and we may repeat them here for greater clarity. Tax-Income is the most ancient, even if it is nowadays not the most considerable, single source of municipal revenue in a progressive and enterprising municipality. These taxes may be of various kinds, and of various description or designations; but they are all essentially of the same character:—viz. that they are compulsory contributions from the private wealth of the citizen exacted by the municipality in virtue of its sovereign power,

Deficient  
kinds of Muni-  
cipal Income  
summarised.

Taxes.

and in which there is no specific attempt or intention to apportion the benefit received to the burden imposed. The tax is levied according to the real or supposed ability of the tax-payer, and often it is based on little better than *ad hoc* conclusions of a citizen's ability. The taxes on property, on trades and professions, on amusements and conveyances, dogs and domestics &c. are all of a like essential character in this that they consider simply the ability of the tax-payer, and have no direct reference to the service rendered to him.

#### Fees.

Fees, on the other hand, charged by municipalities for certain services rendered, or acts performed, or privilege accorded, are of different kinds. They are more akin to prices charged for a commodity sold, though of course the analogy should not be pressed too far and cannot be rigorously maintained. The fees vary from a charge for a mere signification of the solemnity of a given act,—registration of a marriage for example,—to the exaction for a privilege, which the municipality would regulate particularly in the general interest, e.g. licensing fees of all sorts.

#### Rents and profits of Municipal property and enterprise

Besides fees and taxes, income from municipal domain and profits from municipal enterprise form part of the total income of municipalities, and are, as already noticed, of the nature of prices charged on commercial or rather economic considerations, and not arbitrary exactions with no correlation to the benefit received. Being often monopolies, the analogy of a competitive market price does not, of course, apply to the charges for municipal services; and in fact, the municipality itself does not follow, in the framing of these charges, the commercial principle so much as the non-commercial idea of securing the utmost possible use of the service offered. The uniform tramway fare, or parcels charge, or lighting dues, could not be warranted by the commercial practice; and yet the municipality cannot apply any other system of charging for its services. The practice of graduating the charge, wherever in vogue, indicates a latent desire to approximate these charges to taxes proper; but in reality, these will always be compared to the cost of production to the municipality, and as such, they are really closer akin to prices than to taxes.

#### Subventions.

These make up the principal groups of municipal income. In addition, there are in most advanced countries, special subventions or grants from the Central Government to these local bodies for specified purposes. These are not precisely what are commonly styled Extraordinary receipts; but they are distinct from the ordinary receipts in so far as they are independent of the powers of the municipality, and depend on the goodwill of the central or state government. As a rule, these grants or subventions will be paid by the central government without demur; but they have a reserve of power to refuse the grant, and they use it on occasions for the purpose of signifying their discontent with a

municipal authority, which has shown itself remiss in the performance of its duties that the state considers to be of paramount importance.

### III.—Relation of Revenue to Expenditure in Public Finance.

Taxes, fees, receipts from municipal enterprise, and special subventions from a superior authority make up the revenues of a modern municipality. What is the relation of this income to the ordinary expenditure? We have noticed already that in public finance, it is usually the expenditure side which constitutes the decisive factor; and that revenue has to play a relatively passive part. The revenue must be sufficient to meet the expenditure; and if it is not, it must be made to be so. This is stating the guiding principle of public finance somewhat crudely; for there may be room for economy or retrenchment on the expenditure side as well: and that, in that case, unless and until all reasonable retrenchment is made, the revenue side will not be raised to meet the other. But on the whole, the fact that the municipality is given a portion of the sovereign authority for taxing the citizen; and the further consideration that in many cases involving large expenditure, not necessarily for objects of commercial profitability, the municipality is entitled to raise funds by borrowing, is enough justification for the statement that revenue must ally with expenditure, assuming the latter to be just, necessary, and well distributed.

### IV.—Statistics of Municipal Income in European and American countries.

Though comparisons in bald money values are more often misleading than not, the subjoined information may be instructive to students of municipal finance in this country, if they bear in mind the general caution that the monetary unit has not in every case the same purchasing power. The information may also be found instructive as regards the distribution, or rather the sources, of Municipal Income.

In the United States, according to Dr. Munro (Op. Cit. p. 405) in 1913 cities of		over 500,000 population had		Total revenue	General Prop. of total	
					Taxes	revenue.
				£442,002,609	286,603,444	64%
Between	300,000-500,000	„	113,578,023	„	66,475,786	58%
„	100,000-300,000	„	157,962,808	„	85,152,429	53%
„	50,000-100,000	„	87,514,220	„	49,728,205	56%
„	30,000-50,000	„	65,219,450	„	37,829,289	57%
Total		„	866,277,110	„	525,779,153	60%

Besides the Local General Property Tax, there are in the United States, special property taxes, poll and occupation taxes, business taxes, non-business license taxes, special assessments, fines, forfeits &c., subventions and grants from the state governments, donations and pensions, assessments, earnings of general departments, receipts in respect of highway privileges, rents of invest-

ment property, interest, and lastly earnings of public service enterprise, like water works.

Municipal Revenues in England.	In England and Wales, local revenues in 1918-19 amounted to £199 million, of which £85 millions or 43% came from rates									
	„ 34	„	„	17 <sup>0</sup> / <sub>100</sub>	„	„	„	„	„	water, gas, and electric light enterprises,
	„ 17	„	„	9 <sup>0</sup> / <sub>100</sub>	„	„	„	„	„	Tramways and Light Railways,
	„ 29	„	„	14 <sup>0</sup> / <sub>100</sub>	„	„	„	„	„	Central Government
	„ 4	„	„	2 <sup>0</sup> / <sub>100</sub>	„	„	„	„	„	Contributions, Loans
	and „ 30	„	„	15 <sup>0</sup> / <sub>100</sub>	„	„	„	„	„	Miscellaneous Sources.*

In France. In France, the total revenues of the departments amounted, in 1918, to 715,381,354 francs, equal roughly, at par of exchange, to about £28 million. The revenues of the city of Paris in 1921 aggregated 1,003,494,949 francs, with a debt amounting on the 1st January, 1922 to 6,119,511,146 francs.†

In Germany. In Germany, in 1910,‡ according to calculation based on the data supplied by Mr. W. H. Dawson, (Op. Cit. p. 363) 84 towns, with an aggregate population of 15,030,600, raised among them total revenues of £ 30,439,275, of which about one-half was of a special kind, e.g. taxation of real estate, trading enterprises, taxation of amusements &c. In all German towns and rural communes, with a population of 10,000 and over, according to a return of the Imperial German Government published in 1908, 33.2% of the gross revenue were derived from taxation, 25.9% of the total revenues came from the receipts of trading enterprises, 5.9% from the administration of communal estates and investments 5.1% from educational and art institutions, 3% on account of poor relief, care of orphans, and hospitals. 4.7% were derived from building fees &c. and the remainder 22.2% from the general, police and other branches of administration.§

These figures, as already observed, may be subject to considerable caution for purposes of precise comparisons; but they serve to show the importance of local revenues in the general financial organisation of the leading countries.

\* Cp. Findlay Shirras, *Science of Public Finance*, P. 440-1.

† Cp. Statesman's Year Book, 1924, p. 870.

‡ Fuller statistics of a later date are not available, and if obtained would be unreliable owing to the vast variations in the value of German money.

§ Op. Cit. p. 294.

## V.—Statistics of Municipal Revenues in India.

The Municipal revenues in India, in 1921-22 and 1923-24, for which only the latest aggregate figures are available, are detailed in the following table:—

Aggregate of  
Municipal Rev-  
enues in India

## Municipal Rates and Taxes:

	1921-22	1923-24
Octroi	Rs. 1,88,00,923	1,83,03,036
Tax on houses and Lands .. .. .	2,83,56,846	3,30,83,896
"    "    Animals and Vehicles .. .. .	28,73,524	34,22,344
"    "    Professions & Trades .. .. .	28,63,543	30,16,974
Tolls on Roads and Ferries .. .. .	23,47,978	28,54,019
Water Rate .. .. .	1,37,33,370	1,89,20,971
Lighting .. .. .	20,39,920	20,94,053
Conservancy Rates .. .. .	80,38,414	1,02,96,903
Other Taxes .. .. .	78,08,143	1,11,83,929
Realisations under Special Acts: Total Tax ..	8,68,62,661	10,31,76,125
Pounds, Hackney carriages, licenses for Drugs &c. ..	14,92,460	15,78,279
Rent of land, houses &c. .. .. .	33,81,148	38,72,243
Sale proceeds of lands & Produce of land .. .. .	37,41,540	27,97,014
Conservancy Receipts other than rates .. .. .	12,44,750	13,39,686
Markets & Slaughter-House Receipts .. .. .	70,24,206	82,14,890
Fees from educational institutions .. .. .	10,06,799	10,88,295
Other Fees &c. .. .. .	50,76,715	74,29,685
Fines .. .. .	7,00,724	8,71,568
Government Grants .. .. .	94,03,503	86,45,332
Grants from Local Funds .. .. .	8,77,198	8,45,305
Other Grants and Contributions .. .. .	4,27,010	5,01,763
Miscellaneous .. .. .	84,53,939	71,75,550
Extraordinary and Debt Receipts:—		
Sale Proceeds of Securities &c. .. .. .	4,32,49,619	7,51,23,013
Loans from Government .. .. .	1,50,98,564	3,67,71,019
"    "    Private Individuals .. .. .	47,64,500	92,06,842
Realisation of Sinking Funds .. .. .	32,80,333	17,39,749
Advances .. .. .	1,43,04,515	1,18,53,886
Deposits .. .. .	7,46,45,920	15,94,13,747
TOTAL RECEIPTS .. .. .	28,49,54,585	44,16,48,964

This aggregate of 28½ (or 44.16) crores is really not the regular revenue total the ordinary. regular municipal revenues amounted, in that year, to only about 12.82 (14.75) crores of which 8.68 (10.31) (or about 66.2.30%) were tax revenues proper as classified in the official tables. The appendix contains the detailed figures of the revenues of the Bombay Municipality, and will be useful to get a proper picture of the revenue side of apparently the most prosperous municipality in India. Appendix II contains the revenues of all the municipalities of over 100,000 inhabitants in the current century.\*

Carecat:

\* The above figures have been taken from the Decennial Statistical abstract of the Government of India for 1912-13 to 1921-22 p. 228. Appendix II also has been compiled from the same source but a later volume i.e. for 1914-15 to 1923-24 pp. 254-256. Appendix I is taken from the latest Budget of the Municipality of Bombay.

## Appendix I.

**Explanations** Just as we had to reclassify the expenditure of municipalities in order to get a more sympathetic and understandable grouping, so it is necessary to regroup revenues with a view to combine and collect together those items which are generically of the same nature; and then elucidate the principles governing those items collectively as well as severally. We consider the following grouping of the aggregate municipal revenues would be more scientific:—

- (1) **Tax receipts**, which are really compulsory contributions from the private wealth of the individual citizens, in which no attempt is made to apportion the specific burden to the particular benefit received by the individual paying the taxes. These are deductions, it must be noted, from the wealth of the citizens.
- (2) **Fees and License receipts**. These two classes are grouped together, not because the income from them is always of an identical generic nature, but because they are interchangeable on most occasions. Licenses may be, it is true, mere permits to regularise and facilitate supervision of a trade or profession in a city, e.g. of hawkers; or they may be intended to penalise a particular trade or business, e.g. licenses in respect of dangerous trades; or they may be a mere means of regulation on moral rather than financial grounds; e.g. license for theatres, music halls, cinema and circuses. Fees, on the other hand, may be a mere indication of the solemnisation of an act, marriage celebration fees for instance; or they may be payments for a particular service, which however are not intended to be prices for the work done, but simply to ensure that the service is not abused; e.g. the school fees, or fees charged in hospitals and dispensaries, or for vaccination &c.
- (3) **Income from Municipal property**, including lands and building rents; market and slaughter-house receipts, (even though the latter may be styled fees in some cases); profits of municipal workshops; and receipts from other trading ventures. We might also include in this same group the receipts under interest from municipal investments, though these are in reality of a somewhat different nature.
- (4) Next, we may class subventions from Governments, charitable donations, and items of a like kind, which may or may not be recurring.
- (5) Finally there would be a group of miscellaneous items, which it would be impossible to class satisfactorily under any of the above groups.

Reclassified on the above basis, the revenues of the Presidency Municipalities in India would appear somewhat as under:—

Hheads of Revenue.	Bombay 1925-26 Budget.	Rangoon (1923-24) actuals.	Madras (1922-23) actuals.
<b>I. TAX RECEIPTS:—</b>			
(a) General Tax ..	Rs. 1,30,37,000	I. House & Land Tax ..	Rs. 15,99,077
(b) Town Duties:—		Trades & Profession ..	....
Net ..	17,00,000	Lighting Rate ..	3,28,497
(c) Cotton Import Duty* ..	16,00,000	Road Tolls ..	3,342
(d) Tobacco Duty ..	3,85,000	Other Taxes ..	....
(e) Water Tax on rateable value including tax compounded ..	32,02,000	Water ..	12,22,170
(f) Wheel Tax ..	12,50,000	Wheels ..	55,959
(g) Halalkhore Tax on rateable value & special service ..	31,85,000	Conservancy ..	16,48,739
(h) Fire Tax ..	5,81,000		
<b>TOTAL TAX REVENUE OF ALL KINDS RS. ..</b>	<b>2,49,40,000</b>	<b>Total Taxes &amp; Rates ..</b>	<b>Rs. 48,57,788</b>
			<b>Rs. 40,34,852</b>
<b>II. FEES AND LICENSES.</b>			
Land conveyance, Music, &c. ..	60,000	II. Pound Fees ..	6,454
Liquor Licenses ..	1,43,750	Carriage Fees ..	57,554
Miscellaneous Fees ..	5,000	License Fees ..	....
Pub. Health : Dept. Fees ..	20,000	Motor cars ..	15,147
Hospital Fees ..	4,000	License Fees ..	....
Street Cleansing ..	10,000	Petroleum ..	5,074
Miscellaneous Road ..	60,000	License Fees ..	....
„ Drainage ..	500	Pawn-Shops ..	3,51,937
Building Regulations ..	90,000		
<b>TOTAL OF FEES &amp; LICENSE DUES RS. ..</b>	<b>3,93,250</b>	<b>Rs. 4,33,166</b>	<b>Rs. 1,58,315</b>
<b>III. Revenue from Municipal Property.</b>			
Profit on Municipal Workshop ..	15,000	Rents of lands, houses &c. ..	3,42,823
Rent of Buildings & Land ..	70,000	Sale proceeds of land & Produce ..	7,008
Sale Proceeds of Water ..	38,56,000	Conservancy Receipts ..	15,478
Rent of Water Meters ..	61,000	Market & Slaughter house ..	5,91,312
Rent of Buildings &c. of Water Wks. ..	2,500	Tramways ..	39,221
Rent of Bldgs. &c. ..	35,000	Other Receipts ..	1,83,538
Pub. Health ..	300	Interest on Investments ..	2,14,684
Rent of Bldgs. &c. Hospitals ..	10,000	Explanatory Memoranda:—	
Sale Proceeds under Pub. Health ..	45,000	The tramway receipts are probably in the nature of ground-rent as in Bombay, and so may be fitly included in this group, though, they are called fees.	
Sale of Rights : Streets. Account ..	50,000	So also Receipts under markets &c. The "Other Receipts" include Rs. 74,289 on account of license fees for hand-carts, which should strictly be classed as fees; and Rs. 86,821 on a/c of water fund receipts which we have taken as sale proceeds of municipal water	
Rent of Buildings &c. A-C ..	65,500		
Ground Rent:—	53,000		
From Tramways Co. Limited ..	7,500		
„ Telephone ..	80,000		
„ Private Parties ..			
Rent of Bldgs. &c. ..			
„ „ Drainage ..			

In Madras, the following tax-receipts are included in the Total below:—Land & Building, Water & Drainage, Lighting, arts, vehicles, animals, tolls, timber &c.

In Madras, the Revenue from Fees is mixed up with other receipts from municipal market, rents &c. The only items which we can separate and class as fees proper are: License Registration, vaccination cartstand, distraint &c.

The Madras Municipality derives a total of Rs. 5,43,299 from municipal property of all sorts less Rs. 1,58,315 which we have already classed as fees. The balance also includes Rs. 1,12,811 which represents duty on transfer of property, which, in the case of Bombay, we have included under fees and license. If this change were made, the Madras Property head would account for Rs. 2,72,173. We give below the total as Rs. 3,84,984 without making the change.



Account ..	23,000		
Rent of Bldgs. Gardens Account ..	1,000		
Sale Proceeds of Garden Plants ..	6,000		
Markets & Slaughter-House :-			
Stall Rents & Other Buildings ..	3,56,000		
Cold Storage Rent ..	50,000		
Squatters & Hawkers Fees ..	1,20,000		
Fair Ground Feeding Fees ..	1,30,000		
Slaughter-house Fees ..	4,15,000		
Miscellaneous (Market &c. ..	1,05,000		
Interest on all accounts ..	19,84,500		
<b>Total of Revenue from Property &amp;c.</b>	<b>75,41,300</b>	<b>13,94,064</b>	<b>Rs. 3,84,984</b>
IV. Government Contributions ..	9,91,100	58,607	48,430
V. Miscellaneous ..	2,31,300	1,62,603	6,54,960
			This includes water-payments for non-domestic purposes,
<b>Total</b>	<b>3,40,96,950</b>	<b>69,09,228</b>	<b>52,81,541</b>

Explanation  
for regrouping

In the foregoing scheme of reclassification, we have made the least degree of change as compared with the existing classification. Nevertheless there are some items, which need explanation, and we have appended, in the case of Rangoon and Madras, the necessary explanations in the table itself. As for Bombay, we have separated the sale proceeds of water sold at the rate of so much per 1,000 gallons supplied, and brought that item among the items relating to income from municipal property of all kinds, or trading ventures. The rents of buildings and lands, similarly, are separated from the departmental headings under which they are given under the municipal revenue schedule, and shown under the main group of the income from property, which also comprises the interest from investment. The group seems pretty large, as it stands in the above table, accounting for about 25% of the total revenue in Bombay roughly speaking; and the tax-group is diminished to the extent of the water-works revenue taken under the property group of income. But there is nothing wrong in this classification. The cotton duty is the proceeds of a special tax imposed by the Government of Bombay on cotton coming into the city in 1920 with a view to provide for the city development programme undertaken at that time. It is still considered to be something special; but we need not doubt it has become an integral portion of the revenues of the municipality. The Wheel Tax, though not given in the official schedule of the Municipal Income under tax heads proper, is nevertheless clearly a tax item, with perhaps some slight affinity to a license fee as given in other cities. But we have preferred

in the case of Bombay to take that under the tax-revenues. So also as regards the Halalkhore and Fire Tax.

## Appendix II.

Name of Municipality	Population within Municipal limits. (1921)	Income (Excluding opening balance)	
		1910-11	1923-24
MADRAS		Rs.	Rs.
(1) Madras.. .. .	521,917	31,42,710	56,63,981
(2) Madura .. .. .	138,894	4,09,833	20,82,821
(3) Trichinopoly .. .. .	120,422	3,07,236	6,91,087
BOMBAY			
(4) Bombay .. .. .	1,175,914	1,17,92,562	2,79,76,556
(5) Ahmedabad .. .. .	270,775	7,60,604	25,49,406
(6) Karachi .. .. .	201,634	12,42,812	38,41,815
(7) Poona .. .. .	133,227	3,81,259	11,06,442
(8) Surat .. .. .	118,452	4,38,264	8,13,389
(9) Sholapur .. .. .	113,931	2,32,135	7,50,753
BENGAL			
(10) Calcutta .. .. .	907,851	89,72,189	1,85,78,090
(11) Howrah .. .. .	195,301	9,11,009	16,99,064
(12) Dacca .. .. .	117,900	4,03,409	8,49,733
UNITED PROVINCES			
(13) Lucknow .. .. .	217,167	7,91,252	15,71,902
(14) Benares .. .. .	195,373	6,32,960	13,78,325
(15) Cawnpore .. .. .	195,085	6,73,382	19,01,409
(16) Agra .. .. .	163,750	5,32,101	8,37,305
(17) Allahabad .. .. .	145,605	6,22,652	12,25,741
(18) Bareilly .. .. .	119,175	2,65,184	6,09,177
PUNJAB			
(19) Lahore .. .. .	257,295	8,60,257	19,04,272
(20) Amritsar .. .. .	157,031	6,77,656	19,39,855
BURMA			
(21) Rangoon .. .. .	335,491	36,99,093	69,09,251
(22) Mandalay .. .. .	133,295	8,27,948	9,53,113
BIHAR AND ORISSA			
(23) Patna .. .. .	110,523	2,02,599	3,98,322
C. P. & BERAR			
(24) Nagpur .. .. .	145,193	6,75,747	12,06,982
AJMER-MERWARA			
(25) Ajmer .. .. .	113,512	2,33,995	3,73,745
DELHI			
(26) Delhi .. .. .	248,302	8,86,559	18,72,271
(27) Bangalore .. .. .	118,684		13,19,102

## CHAPTER V.

### MUNICIPAL REVENUE FROM FEES.

#### I.—Two Kinds of Fees.

**Classes of Fees.** Taking the revenue from Fees first, as being relatively of very little present or prospective importance, we find that these are divisible into two kinds: First of all, there are the fees for acts done by the municipality or for a service rendered, which are not intended to be charged for on a commercial principle of recouping to the municipality the cost of the service rendered, but merely to associate with it a certain degree of solemnity, or to prevent abuse. Secondly, there are the fees for regulating or preventing certain dangerous or offensive trades or occupations. In this case the fee approaches very closely to a tax proper, with only this difference that where the intention is to discourage a particular trade, the fee will be charged irrespective of the paying ability. By their very nature, fees of all kinds tend to be uniform on given acts or services; and so they naturally avoid all question of apportionment according to ability. If there is any utilitarian consideration at all involved in the assessment of fees, it lies in the nature of the service rendered and charged for by fees.

The extent to which fees contribute to the revenue resources of American municipalities may be gathered from the following table, relating to 227 of the largest cities with a population of 30,000 or over in the United States, in 1919

DEPARTMENT.	AMOUNT OF FEE \$	Of course all the items here enumerated under the caption of Fees may not strictly speaking be fees proper. "Nevertheless" says a com- petent observer, "the amount of the recorded fees of the states and cities is very much larger than that of the Federal Treasury. . . . It is not improbable that the sum of recorded fees for the states and their local division would exceed ten times the amount of the federal fees." (Jensen Op. Cit. P. 157) The latter aggregate, in the Budget of 1925, 11.35 million dollars, derived chiefly from the Patent Office, Naturalisation, Consular and Pass port Fees. (Cp. Lutz: " <i>Public Finance</i> " p. 218). It also indicates the scope of the municipal activities in these countries, since every new additional function of government is made good by fees wherever possible.
General Government ..	5,613,000	
Protection to person and pro- perty .. ..	3,898,000	
Conservation of health sani- tation & Cleanliness ..	4,487,000	
Highways .. ..	4,355,000	
Charities, Hospitals &c. ..	5,167,000	
Education .. ..	2,933,000	
Recreation .. ..	2,343,000	
Miscellaneous, General ..	1,577,000	
Total .. ..	30,373,000	

We must distinguish between Fees and Taxes. In the case of the latter the levy is compulsory, without there being any attempt to correlate the burden with the benefit. Taxes are frankly exactions in virtue of the sovereign, omnipotent might of the state. In the case of the Fees, on the other hand, the demand, if it is an exaction at all, is concealed; and an attempt is made to show some benefit specially resulting from the payment of the fee, even though the payer may have no alternative to refuse. Fees have been defined as:—

“Compulsory contributions exacted by the state to cover a part or all the cost of doing something required by the presence and activities of a special class, or from which the fee-payer receives or is presumed to receive a special benefit, in addition to the general benefit which is the justification of the state performing the service.”\*

This general benefit, which must exist in every case where a fee is charged, is the special distinguishing mark of the fee as contrasted with the Tax. In addition, there may be some special benefit to the particular individual paying the fee; but this is not indispensable. One curious consequence of this characteristic is that fees are essentially temporary measures, and tend irresistibly to be converted into taxes, the moment the general advantage of the service supposed to be rendered out of the proceeds of the fees is perceived, and the worry as well as the annoyance to the individual is realised. But while fees last as fees, we must not over-look the essential distinction between the two sources of revenue.

There is another peculiarity of fees which must also be noticed at this stage. Originally, fees were imposed by the King in European countries to enable the officials concerned with the performance of certain duties or functions of the state to remunerate themselves. The evils of such a system need not be elaborated in a modern community. But that such a system is serviceable in a new or primitive community, where irregular and part-time service is all that is wanted from the state and its delegates, cannot also be denied. Hence, in functions which the state takes over for the first time, and as it were tentatively,—e.g. boiler-inspection,—fees may have a place, which a corresponding tax will not have, at least in the first years. For all new functions that the state takes over, then, it may be not undesirable to suggest fees as the most easy method for remuneration, provided, of course, no attempt is made by the state to take from this more than is justifiable by the value of the service rendered.

This last reflection has afforded occasion to many critics of the fee system that every Fee must be considered to be a Tax in so far as its amount exceeds the cost of rendering the particular service for which it was originally imposed. To a certain extent the criticism is not unfounded; but the main distinction

\* Jensen's *Problems of Public Finance* P. 112.

between Fees and Taxes, already mentioned, must be held positively to discriminate between the two even in those cases, where the State or the municipality derives a revenue from the fees greater than the cost of the service. For there will be an element of some special benefit to the payer, which in the tax-payment will be impossible to determine, and unfair always to presume. Without denying that fees may in cases be in excess of the cost of the service, we may yet point out that such eventuality is the result of the monopoly of administration enjoyed by the state. The State or the municipality charges something more than is strictly necessary, and so admixtures an element of taxation, which is strictly speaking not germane to the Fee system. It may likewise be admitted that in such cases the critics would be justified in demanding that the amount of the fee be reduced so as to cover the cost of service only.

## II.—Fees for Municipal Acts.

Survey of acts and objects on which Fees are charged.

The list of fees given in the table (ante. p.386-7<sup>1</sup>) includes many of the acts for which fees are charged in other countries also. With the exception of the license dues for regulating dangerous trades &c. and licenses in respect of the liquor vend in the cities, the bulk of the Indian municipal fees are for acts done by the municipality to authenticate the validity or propriety of a given transaction.\* There are certain items of revenue which, though classed in the official schedules of Municipal revenues as fees, e.g. the fees charged in the Municipal Markets, are taken by us in the more appropriate group to which they, scientifically speaking, belong. The squatters' and hawkers' fees, however, ought to be more fitly taken in the fees group; and with this change, the total fee revenue of the city of Bombay would be 6.58 lakhs or nearly 2% of the total municipal revenues. The Bombay municipal revenue classes the fire tax quite

\* In Germany, according to Dawson, (Op. Cit. p. 292) :—

"Most of the large towns charge the yearly costs of the sewerage systems of street scavenging, and of the removal of house refuse, directly to the owners of the property concerned as fees... The communes are also empowered to charge fees for the use of the institutions provided by the local authority for the common benefit, such as hospitals, bathing establishments, and certain of the schools for whose provision and maintenance they are responsible, though elementary schools are, as a rule, exempted from fees.

Among the miscellaneous dues and fees may be mentioned the pavement dues (a charge on horses and vehicles) levied in Bavarian towns, the bridge tolls still common in some parts of the country, fees charged in connection with building permits, the inspection of buildings, and the like, market tolls, fire brigade fees, and the fees for burgess or freemanship rights charged on a large scale in Bavaria, and to a less extent in some others states."

In America, Dr. Munro says :—"In all our cities considerable sums are derived each year from the fees imposed for licenses, and chiefly for those granting the right to sell intoxicating liquors..... License fees, though much smaller in amount, are also exacted from a great many other trades and industries,—from peddlers, auctioneers, second-hand dealers, keepers of gaming, proprietors of places of amusement, and so forth. Many cities likewise require small fees for permits of various sorts.....Most of the fees are small in amount, but taken together they yield a considerable income each year. The number of occupations and trades which the municipality deems it advisable to supervise and regulate in this way is steadily increasing.....All in all, however, these rarely amount to more than one per cent. of the city's entire revenue." (Op. Cit. p. 440).

apart from the other heads of taxation, and we have taken the income from the Fire Brigade services in the group of tax-income; though perhaps, since the intention to make a profit out of the fire-brigade is absent, and the charge is uniform, it would be best to take it under Fees. In the Rangoon and Madras Municipalities the proportion seems to be much greater, though in Rangoon, the very large item derived from the regulation of pawn-shops seems to be a special feature, which is well worth copying by other municipalities. The pawn-broker, operating individualistically for personal profit, is a social sore of the same sort as the money-lender; and the municipality will do well to regulate his business and control it by means of fees, even if it does not bestir itself to provide its own pawnshops for the benefit of the poorer working class population steadily growing in the cities of modern India.

The principal items of fees are:—Land Conveyance, a mere matter of authentication; fees charged by the Public Health Department for its various <sup>Grouping of Fees.</sup> services, e.g. vaccination; street cleansing and roads fees, or tolls, hospital fees, drainage fees, and permit fees under the building regulations of the municipality, e.g. for the certificate of the completion of a building. Miscellaneous fees and music fees in Bombay are a little difficult to place, but they are also for a service which it is not the intention of the corporation, apparently, to tax or charge for on a commercial basis, but which nevertheless wants to have some sort of a control.

It is noteworthy that though in all the municipal schedules of revenue there <sup>School Fees</sup> is a heading of School Fees, no amount is shown anywhere under that head. With the advent of compulsory education, the schools will have to be made wholly free; and the Indian municipalities cannot pride themselves on having done their duty by the children of the citizens until and unless they provide universal elementary education at least, free of charge.

Among the fees for certain acts performed by the municipality, perhaps an <sup>Marriage Fees.</sup> important omission will be noticeable to the non-Indian reader. There are in the municipal schedules of revenue no marriage celebration fees. The idea of marriage as a social relationship arising out of a civil contract has yet to gain ground in India, whose peoples regard it as of the nature of an indefeasible sacrament. Given the sentiment of an overwhelming majority of the Indian people in this matter, it would be out of place to suggest that a municipal fee on marriages within the city may be a quite serviceable means for an efficient administration of such additional functions as poor relief for example, which we have contended should be made over to the municipal bodies in this country. To the ardent social reformer, the tax on marriage, whether by the municipal or by the state authorities, is a weapon, which, it must be realised, is of a multiple capacity; but, properly handled and applied, it is capable of achieving results that may be impossible in other ways.

### III.—License Fees.

Justification  
of License Fees.

The second class of fees are those charged for the regulation of a trade, which is considered either dangerous or necessary for other reasons to regulate. And if, incidentally, in the process of regulation, some revenue can be derived, the municipality would of course welcome it. The primary purpose, however, even in trades which are considered a menace to society, and on which therefore increases in License Fees will usually be voted with light-hearted indifference or opposed for selfish reasons of vested interests, is never revenue. License Fees on trades and professions in the city may be distinguished, again, according to the nature of the trade into a **regulative** and **deterrent** fee, which approaches the nearest to a tax, and a **permissive** charge, which has the greatest affinity to fees considered in the first division. In the former case, the mere rise in the amount of the fees charged will seldom prove an effective deterrent, as the experience of practically all the countries in respect of the regulation of the intoxicating drug traffic has invariably proved. The drug or drink maniac will satisfy his craving irrespective of the cost; and the high price, made higher by a heavy license duty, is often exacted from the starvation and neglect of the wife and children of the adult drunkard or drug-fiend. The state, moreover, or the Municipality, as the case may, becomes an unconscious partner in the guilt and crime of the drunkard and the drug-maniac; while its dependance upon the revenue derived from that source makes it often but lukewarm in the real cause of genuine social betterment that the tax is frequently alleged by its apologists to accomplish indirectly. We do not believe regulation of this nature can be achieved with success, without resorting either to complete prohibition, or undertaking a complete monopoly of supply by the municipality with a view rigorously to regulate consumption. If cinema-shows are supposed to undermine the morals of the community, or give a fillip to the criminal instincts of certain types of citizens, we cannot expect that the utility of the cinema as a means of educating should be unrecognised, and the cinema show be stopped altogether. The censorship of the cinema may also have its dangers or objectionable features; while the mere charge of a fee, however high, will never stop the truly objectionable class from being produced. On the contrary, the fact of a high fee may be a source of additional attraction to the producer of the objectionable shows, owing to his being regarded as something of a martyr. In such cases, particularly, the **municipalisation of the enterprise** would be of the utmost utility, if only the municipal authorities can be trusted by their electors to be intelligent, liberal, and public spirited enough to be entrusted with such a highly delicate work. The danger of such municipalised activity becoming reactionary in use is particularly great in a country like India, where the might of tradition, convention or superstition is yet undiminished; and where, accordingly, it is not at all unlikely that the bulk of the municipal council may be chosen from classes who will

positively discourage, under the pretext of regulating, spectacles which may have a broadening effect rather than otherwise.

#### IV.—Fees in Indian Municipalities.

In Indian municipalities, fees from the regulation of dangerous or offensive trades are not very considerable; and the perception of the dangerous nature of a trade is also not as clear as it might be. The definition of a dangerous trade may comprise the business of a restaurateur, which, if dangerous on any ground or in any sense, is not dangerous in a sense which would justify this kind of indirect taxation, and in whose case, therefore, it would be impossible to recommend a manipulation of the Fee so as to deter the business. The License Fee from the grog-shop is, in Bombay, beyond the competence of the municipality to manipulate, as the income under this source is a fixed item from the Government. Calcutta, according to the latest reported developments, is about to utilise this power for the prohibition of the drink traffic. It is certainly a municipal business far more than the state function to regulate the actual sale of such deleterious commodities in a given locality; and as it is possible to separate the stages at which the tax can be levied by the central and by the municipal authority, we see no reason why the municipal authority should not have the full privilege to regulate this business entirely. The municipality, however, must not look upon this power as an additional source of revenue. It is or would be entrusted to it so that it might most effectively police the business, and put an end to it as soon as possible, and thereby put an end to a most harmful habit. As a source of revenue, therefore, all such items must be largely discounted.

As regards the merely permissive or regulative Fees, these are for administrative purposes of convenience, and as such the expense incurred by the State or the municipality for discharging such functions of administration will be more than, or at least equal to, the revenue that can be possibly derived from such terms. The licensing of motor cars may be instanced as a case in point. The Fee proper should be uniform; but these License Duties are graduated according to the capacity, horsepower, or use of such vehicles.\* The element of

Permit-fees.

\* The fees charged for the registration of vehicles and animals in Bombay, under s.180 of the Act (It is called the Tax on vehicles and animals not a Fee) is graded as follows:—

Description of vehicles.	Amount of Tax per quarter.			
	Rubber tyred.		non-rubber tyred.	
	Rs.		Rs.	
Vehicles impelled by machinery and used for commercial purposes other than carriage of passengers:—				
Each 3 or 4 wheeled vehicle weighing upto 2 tons empty	..	..	30 0 0	45 0 0
" " " " " " " 4 " "	..	..	35 0 0	52 8 0
" " " " " " " 8 " "	..	..	40 0 0	60 0 0



graduation, however, must not be taken as an index of the charge being a tax which the graduation seeks to apportion according to ability ; it is really a Fee charge, inasmuch as the derivation of an income is not the principal aim of such functions of the state or the municipality. It is true, however, that such charges often tend to be replaced by taxation in the course of normal development. Fees derived from the licenses of hawkers is another instance of a simply regulative and permissive function, as also the licensing of theatres and music halls, and picture palaces, which may have a moral or other special reason for the municipal council interesting itself at all in the regulation of such enterprise, but which concern us for the moment only as fee-producing acts. Indian municipalities derive a respectable proportion of their total revenue from Fees from this source.\*

(Continued from previous page):

(Continued from previous page)									
Each 3 or 4 wheeled vehicle weighing upto	12 tons empty	..	..	50	0	0	60	0	0
" " " " " over	" " "	..	..	60	0	0	60	0	0
Each vehicle drawn or intended to be drawn by any vehicle falling under serial No. 1, and used for commercial purposes (i.e. Trailers)									
Each 3 or 4 wheeled vehicle weighing upto	2 tons empty	..	..	22	8	0	33	12	0
" " " " " "	4 " "	..	..	26	4	0	39	6	0
" " " " " "	8 " "	..	..	30	0	0	45	0	0
" " " " " "	12 " "	..	..	37	8	0	56	4	0
" " " " " over	" " "	..	..	45	0	0	60	0	0
Each 4 wheeled vehicle impelled by machinery and used solely for carrying passengers, weighing upto 10 cwt. empty				15	0	0			
" " " " " "	20 " "	..	..	20	0	0			
" " " " " "	30 " "	..	..	25	0	0			
" " " " " "	40 " "	..	..	30	0	0			
" " " " " over	" " "	..	..	40	0	0			
Each 3 wheeled vehicle impelled by machinery and used for passengers				12	0	0			
" 2 " " " " " "				8	0	0			
" 4 " " " drawn by horses, ponies &c. bullocks (labour carts							5	0	0
" " " " " Others				8	0	0	12	0	0
" " " " " " (with							3	0	0
" " " " " Others				6	0	0	6	0	0
" " " " " not " " "									
" " " " " " or				2	0	0	2	0	0
" Horse pony or mule 12 hands or more				8	0	0			
" " " " " under 12 hands				4	0	0			
" Bullock or donkey kept for draught				2	1	0			

\* Statement showing (1) the number of licenses issued, (2) the trade licensed and (3) the amount of fees collected during 1923-24 in Bombay.

No. of Licenses.	NATURE OF TRADE.	Licenses.	fees.
45	Acrated waters (manufacturing)	Rs.	2.
46	Ashes	997	8
179	Bakeries	315	0
54	Bidi leaves	3,732	8
46	Bidis or indigenous Cigarettes (manufacturing)	268	12
2	Candles (manufacturing) (hand made)	148	0
27	Carbide of Calcium (retail)	50	0
12	Do. (wholesale)	128	12
2	Catgut	320	0
733	Charcoal	30	0
126	Chemicals	6,061	4
30	Cinematograph Films	2,085	0
178	Cloth in indigo and other colours, dyeing (hand power)	560	0
17	Do. (Mechanical power)	1,223	12
303	Coal and Coke	390	0
		3,538	0

As regards fees for burial grounds and crematoria, these are often prices charged for a commodity supplied, than mere regulative indices evidenced by Fees, even though they may be described as such. In India, however, the leading municipalities, though competent to look after these requirements of the community, have not yet interested themselves remarkably in such functions and their financial consequences.

We have already pointed out that in the case of all new additional functions taken over by the municipality, which entail an outlay of money, the best method of recouping at least a part of the outlay is by means of Fees for the function undertaken; and so we may rightly consider the limits of Fees as more or less coincident with the limits of municipal action. Of course, municipal action may have to be taken in many cases where a fee cannot be charged in the public interest, e.g. in the registration of births and deaths. But we may generally

Burial and  
crematoria  
Fees.

Scope of Fees

(Continued from previous page.)

No. of Licenses.	NATURE OF TRADE.	License fees.
		Ra. a.
42	Cocoanut Fibre, Flax, Hemp, and Jute .. .. .	529 4
21	Cotton (keeping cleaning) .. .. .	395 0
122	Cotton-seed .. .. .	2,900 0
105	Cotton Refuse or Waste .. .. .	1,834 4
14	Cow-dung cakes (manufacturing) .. .. .	178 4
72	Dammer, Tar or Pitch .. .. .	918 12
2,469	Eating Houses .. .. .	17,858 8
7	Fat and Tallow (cleaning) .. .. .	105 0
19	Do. (keeping) .. .. .	262 8
13	Fins (dried) .. .. .	195 0
25	Fish (do.) .. .. .	350 0
236	Fireworks (retail) .. .. .	435 12
115	Do. (wholesale) .. .. .	658 12
5	Do. (manufacturing) .. .. .	175 0
106	Firewood (retail) .. .. .	210 0
708	Do. (wholesale) .. .. .	8,118 4
6	Gas (manufacturing) .. .. .	180 0
161	Ghee (keeping) .. .. .	1,127 8
4	Ghee (manufacturing) .. .. .	35 0
165	Grain (parching) .. .. .	213 0
415	Gunny bags .. .. .	1,955 0
18	Gunpowder (retail) .. .. .	82 0
2	Do. (wholesale) .. .. .	60 0
4	Do. (manufacturing) .. .. .	400 0
6	Hair Dressing Saloon or Barbers' Shops .. .. .	40 0
156	Hay, Straw or Grass .. .. .	2,250 8
26	Hides and Skins (dried) .. .. .	390 0
15	Do. (raw) (keeping) .. .. .	405 0
42	Do. (tanneries) .. .. .	3,675 0
6	Horns and Hoofs .. .. .	100 0
46	Lime for burning (lime-kiln) .. .. .	2,187 8
1,390	Matches (retail) .. .. .	1,774 12
47	Do. (wholesale) .. .. .	3,058 12
128	Do. (Bengal lights) (retail) .. .. .	324 8
217	Metals (casting) .. .. .	3,285 0
71	Methylated spirit .. .. .	718 12
884	Noisy trades .. .. .	2,199 12
585	Oil (keeping) .. .. .	9,246 4
Carried over		88,749 0

indicate the limits of municipal action, in regard to which fees may be charged, as consisting in those activities which are undertaken afresh in the general public interest, involving very often some special benefit also to the individual paying the Fee, though not necessarily so; and which involve additional expenditure that has to be made good, at least in a measure, from special charges levied from the particular beneficiaries of these activities. The administrative convenience of the State or the municipality may coincide with the special or general advantage to the community; and in that case the municipality or the Fee-levying authority may utilise its monopoly of administrative functions for the purpose of levying a charge greater than the cost of the service rendered. But even in that eventuality, we would not regard the fees charged for such actions as the same as taxes levied for undefined general purposes, without a correlation with any particular service.

(Continued from previous page.)

No. of Licenses.	NATURE OF TRADE.	License fees.
		Rs a.
	Brought forward ..	88,749 0
103	Oil (manufacturing) ..	1,111 0
2	Paper ( Do. ) ..	30 0
24	Do. (stored for sale as waste paper) ..	227 8
227	Permits under Section 390 ..	5,750 0
34	Petroleum (non-dangerous, under the Municipal Act) (kerosine oil) (retail) ..	452 0
57	Do. (non-dangerous, under the Municipal Act) (Kerosine oil) (Wholesale) ..	424 0
105	Do. (dangerous, under the Indian Petroleum Act) ..	301 4
11	Pottery (manufacturing) ..	33 0
12	Rags ..	180 0
40	Saltpetre ..	200 0
13	Smelteries (treatment of metals) ..	147 0
37	Soap (manufacturing) ..	850 0
19	Sugar Refineries ..	488 12
27	Stables for Horses ..	1,600 0
79	Do. Milch cattle ..	7,122 8
53	Do. Bullocks ..	1,128 12
6	Do. Other four-footed animals ..	6 0
1,436	Timber ..	14,278 12
142	Turpentine (retail) ..	706 4
45	Do. (Wholesale) ..	292 8
39	Whistles (Steam) the blowing of ..	390 0
40	Wool ..	715 0
27	Liquid fuel or non-dangerous Petroleum, under Form E of the Indian Petroleum Act ..	2,184 0
2	Do. under Form A of the Indian Petroleum Act ..	24 0
96	Licenses transferred ..	105 0
3	Special licenses under Section 394 (1) (d) (ii) ..	3 0
406	Sweetmeat (manufacturing and keeping) ..	3,243 4
	Total Rs. ..	1,30,712 8
13,338		
225	License fees collected during 1923-24 for the preceding year 1922-23	2,305 12
13,563		
	Grand Total Rs. ..	1,33,018 4

In this view of the limits of municipal action regulating Fees, there is, of course, the possibility of overlooking the legitimate field of private enterprise. Functions, however, which have a close bearing on the welfare of the entire community, and which are essentially of a local character, should ordinarily be performed by the community collectively, i.e. by its representative, the Municipality. Functions, on the other hand, which are of merely individual importance and utility, and which may transcend the barriers of the local self-governing unit, for the more economic and efficient discharge of the duties involved, may be left to the state to regulate or monopolise as it should think proper. Thus, for a city on a river, while the entire highway of the river must needs be considered to be the property of the nation at large, whose representative the Government should thus be the proper authority to regulate its use as between its own collective effort and that of private enterprise, the harbour facilities, docks and warehouses and local transport along the quays and through the city may charge dues that may vary from mere Fees to prices for specific services rendered to the individual beneficiaries.

Among the classes of Fees instanced or described, it may seem to be difficult, at first sight, to include in their proper class the Fees charged for Hospitals, Schools, or Markets. The first two instances of Fees are really an attempt to make out some portion of the cost of the special function of a generally beneficial character from the immediate beneficiaries of the activity. But as the consciousness of the common obligations in a civilised human society deepens, these functions tend to be included as among the obligatory duties of the state and its representative the Municipality; the expenditure in connection with which has to be recouped out of the general tax revenues. To this extent, then, logically speaking, there is no place for Fees for school education or hospital treatment in a community which has accepted these elementary obligations of the state. These privileges must be free to all citizens at least; and since Fees, even where they are charged, contribute little more than 5% of the total expenditure on such heads,—if even so much as all that,—it is just and wise to remit such Fees altogether.

The Fees for the use of Market Stalls stand on a different footing. They are levied from people who are utilising the market facilities provided by the municipality for their own private and commercial gain. The charge made by the municipality will be treated by them as among their expenses of production, which they would seek to recoup from their customers. Under the circumstances, market fees and stall rents are not merely justified, and have a definite place of their own; but may quite legitimately be charged on the principle of a competitive, economic rent for such places. Hence we have not included this particular source of municipal revenue in the group of fees; but classed it with the receipts from municipal property, even though officially and by the municipal administration they may be classed as Fees.

Slaughter-house Receipts

Fees from the Slaughter-houses, again, are of the nature of the Fees described in section I, and differ materially from the market rents or stall-fees. If the municipality were owning and operating its own abattoirs or slaughter-houses, charging reasonably for the service, the case would be analogous to that of market-rents.

Fees  
Fines.

Fines, penalties and analogous income are grouped often along with the Fees, but there is a vital distinction between Fees and Fines, inasmuch as there is in the latter an element of punitive character which is utterly absent in the former. Fees may be compulsory exactions, but they are not punitive. Fines, even when they are light and negligible, imply a stigma, which may mean a reflection on one's citizenship. In India, the income from this source not being very considerable, we may pass it over with just such a bare mention.\*

#### V.—Fee for the Privilege of Citizenship.

Enrolment  
Fees.

There are towns in Germany which are able to charge special Fees for enrolment of citizenship, for that status confers a very valuable privilege of immunity from taxation, thanks to the handsome receipts of those municipalities from their property and industrial or commercial enterprise. There are other cities, which, like London, are able to offer their "Freedom" or the status of Freeman within the municipality, which, whatever may have been its value in the past, has become merely an empty honour for the present, though it is not the less prized because it is an empty honour. Fees, however, cannot be charged in cash for such empty honours, especially in cities like the leading municipalities of India which have no historic tradition or sentiment associated with them. But the fact that such places are the habitual resort of large numbers of foreigners, who are temporary settlers for business reasons as a rule,—there is a very flourishing colony of the Japanese, for example, in Bombay, which annually does business to the tune of several crores with profits in proportion,—may quite appropriately be utilised to tax, or demand fees for, this temporary citizenship. Cities like Calcutta, Bombay, Rangoon, or Karachi, which are thriving centres of international trade in India, may make a handsome revenue for themselves, if they can muster up courage, or coax the legislature into conceding them powers for the special taxation of foreigners, by this manner of charging special fees for temporary citizenship to non-Indian residents in their midst.

For the moment, however, there is no prospect of the suggestion being accepted or even welcomed, as the foreigner is presumed in India to be a sort of a beneficent fairy whose goodwill and profit must be specially promoted, or at least in no way interfered with.

\* The long list of offences, acts, or omissions for which penalties are prescribed by way of Fines under Ss. 471-2 of the latest Bombay Municipal Act, is more formidable in appearance than in reality. The receipts from penalties and Fines aggregate about 75,000 rupees per annum in Bombay. On the other hand the income from Licensing of dangerous trades aggregated Rs. 1.33 lakhs, in 1923-24, of which eating houses contributed the largest single item, Rs. 17,858, timber coming next (Rs. 14,278) and Oil a poor third with Rs. (9,246). The subjoined table called for the annual report of the superintendent of Licenses shows the number and nature of the trade licenses issued in Bombay as well as the income derived from the same.

## CHAPTER VI.

### MUNICIPAL TAXATION.

#### 1.—General Characteristics of Municipal Taxation.

In an earlier chapter, we have reviewed the general feature of municipal expenditure. As taxation is or tends to be the most important and considerable source of municipal income, we must review, in the present chapter, the general characteristics of this form of local revenue, the guiding principles of a sound system of municipal taxation. As the guiding principle in municipal expenditure is the attainment, by the outlay made, of local benefit of some sort, so the dominating idea in adjusting the municipal tax-burdens ought to be to fix the burdens of the local taxes on the people and the property of the place. The first requirement, then, of a good municipal tax is: that the tax-burden should not generally be capable of being shifted from the people of the city to any other people outside the city limits. This is not saying that all municipal taxes should be non-shifting. Within the municipal limits, the burden may easily shift from the people paying the tax in the first instance to those eventually and really bearing it. Thus, for example, Town Duties, which are imposed on all the articles of food imported within the city limits for consumption by the city's population, are paid, in the first instance, by people who do not bear the eventual burden of those duties. But if these very Town Duties are made non-refundable terminal taxes, and charged indiscriminately on all articles imported into the city, irrespective of whether or not the articles taxed are consumed within the city by the city people, they will make a municipal tax open to objection for a variety of reasons, not the least considerable of which would be that the importing city levies an unfair tax from those who are not its citizens. Cities which are also great ports and converging centres of great international trade are able, if they are empowered by law to do so, to levy this unfair burden upon all material entering their municipal limits; but their action would be unjust, would be resented, and would eventually redound on themselves by the decay of their trade. Transit Duties,—Town Duties in the particular form of non-refundable Terminal Tax—have been justly condemned as hindrance to trade; and though they exist in India to

Guiding Principles.

day even on goods passing from British territory to the territories of the Native States, and vice versa, the tendency is to discontinue them whenever possible in the interests of trade.

**Octroi and Town Duty.**

Octroi or a species of Town duty on articles of local consumption, principally food stuffs, may be unobjectionable from the point of view that such taxes are incapable of being shifted to the non-municipal population. But their great objection lies in the fact that these taxes fall with indiscriminate burden on the rich and the poor alike, as they do not admit of any attempt at graduation according to the ability of the tax-payer, and in so far as their incidence helps to raise the cost of living in the city. A great many countries in Europe,—France, Italy, and Germany leading,—have accepted Octroi Duties as an integral feature of their local finance. They are old, customary, and well understood, and consequently not opposed as strenuously as they might be if their real hardship to trade was realised. In Germany, however, since 1910, they have abolished all local taxes on corn, vegetables, flour and other milled goods, baked goods, cattle, meat and meat preparations, and fat. But in France, where the great Revolution began with an abolition of those consumption taxes, the octroi duties were introduced in the next twenty years; and to-day they form an important feature of the municipal tax-systems, Paris deriving as much as 115 million francs in the last few pre-war years from this source. It is, however, the importance of the revenue derived from this source that obscures the objections to it on the score of trade impediment; and in trading countries par excellence, like the United States and Britain, they have definitely set themselves against such taxes.

**Basis of Taxation.**

Local Taxes, then, must, as far as possible, be such as to fall on local wealth or local citizens, and they must not impede the general trade of the country. The next question is how is the evidence of the local wealth to be determined for purposes of taxation? "The modern English local rates, with important exceptions, are levied only on the real property, are collected from the occupiers and not from the owners as such, and are based upon the rental instead of the capital value"\* In this passage are summed up tersely the most important indices of a sound system of local taxation. It must fall on that form of wealth which is essentially local, like land and buildings, that cannot evade the tax of the local authority; and if the tax is charged to the immediate occupant instead of the owner, the danger of evasion becomes still smaller. It is only on the last feature included in the above description of the bulk of the English local taxes, that there is room for difference of opinion as to the soundness of the system. The rental value may be a pret-

ty concrete phenomenon in countries where houses and lands within municipal limits are used not for the personal occupation of the owner so much as for renting to tenants. But the rental value would fail where the owners more frequently use their own house-property for their own habitation than let it out on rent. The sale value, or the capital value, would be far more appropriate as a basis of the tax on real estate, unless the tax is intended to stimulate building for house accommodation in crowded industrial centres, in which case also, it would be better to have a special tax on vacant land than to use rental value as a basis of taxation.\*

The convenience of collection and the general facility of administration, which taxation of locally situated real property implies, are set off to some extent, from the point of view of sound finance, by the inequitable nature of the arrangement which allows personal property to escape from local taxation. Personal property, especially in our days, is exceedingly difficult to assess, being often of an intangible character; and as frequently situated outside the jurisdiction of the taxing municipal authority as not. The alternative has therefore developed in some countries of a **General Property Tax**,† or an **Income Tax** for the use of the local self-governing units. In America, 227 of the largest cities of the Union derived from the General Property Tax \$ 785, 000,000 in 1919, or 60% of their total revenues. The local Income Tax takes the form, in France, Belgium and Germany, of additions to the central Income Tax; and amounted in France to 459 million francs in 1906, or 47% of the total revenue from that source of the State, the Departments and the Communes.‡ The Local Income Tax seems to be not quite popular

Taxation of  
Personal Property.

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\* In Germany, they have adopted the Sale value instead of the Rental value for the basis of the assessment on urban real property. Berlin began it in 1908, "and the immediate result was that building sites, beer gardens, and other valuable property, which hitherto had been subjected to little taxation or none at all, yielded considerable revenue. The rate of taxation is 3 per 1000 of such value as is fixed every year by a committee of the municipal taxation boards; property owners have a right to be heard before a valuation is filled. Berlin derives from its land and buildings tax £1,320,000, or 12s. 9d. a head of the total population." To illustrate the difference in yield from this difference in the basis of assessment, an official statement shows that in Berlin and its suburbs, sites, which on rental value would have paid 1d and 3d. respectively, paid, when taxed according to sale value, £8-15-0 and £11-0-0. In other cases, the difference was between 15s. 8d. and £138, £9-8s., and £210, and in one case £13-8-0 and £5700 (cp. Dawson op cit. p. 334). There is reason to believe that for a city like Bombay or Calcutta, such a change would be productive of substantial increase in revenue, and at the same time a more equitable distribution of the burden, not to mention the possible reduction in the rate of taxation.

† The General Property Tax is very common in the United States, while a local Income Tax is an important feature of the Municipal Finance in France and Germany, among others.

‡ This is the *Centime Additionel*. In Germany, "The local income tax in Prussia as in the other German states is levied in the form of a percentage supplement to the state Income Tax." Dawson: Op. Cit. p. 322. The tax rates of German cities are shown in the table below :



in countries with the English ideas of propriety in local taxation, partly because of the implied invasion of what is considered to be the exclusive domain for taxation by the central government, and partly on account of the possibility of incomes being derived by a citizen of a place from property or enterprise not situated within the jurisdiction of that place, with the consequent medley and conflict of rates and incidence, as well as in the claims of the several localities for an equal treatment.\* The arguments against surrendering the Income Tax to the local governing units are by no means without force; but the difficulties are not impossible to overcome.

Upper limit  
of taxation on  
articles of consumption  
or of  
Trades and  
Professions.

Taxation of property, visible and tangible and real, or intangible and personal, may not, however, satisfy as great a portion of the revenue needs of the city as it is deemed proper should be met out of taxation, if the city authorities would not raise the rates of taxation to levels beyond which local industry

(Continued from previous page.)

Berlin taxes, for local purposes, local incomes in a graduated scale	+ 110%
Essen	200%
Frankfort a. Main., "	" "
Hagen	275%

of the State Tax. Cp. Dawson Op. Cit. p. 329.

"In proof of the diversity of rates of local income taxes levied in Prussian towns, it may be stated that in 1911, 23 of the 280 towns, with a population exceeding 10,000, levied from 125 to 150 per cent of the state tax, 52 levied between 150 and 175 per cent., 77 levied between 175 and 200 per cent., 98 levied between 200 and 250 per cent., and 59 levied more than 250 per cent., the highest percentage being 300. Even within limited and homogeneous areas surprising disparities often prevail." Ibid.

\* "The difficulties of a local Income Tax are: the impossibility of accurately localising income, and the danger of evasion by migration to areas where a lower rate of the local income tax obtains. We are sometimes apt to underestimate the value of high local taxation in preventing people bunching together in crowded areas, and in spreading them in the suburbs of large towns. On the other hand, local conditions do frequently justify a tax of this sort, as in Germany. In an official report, it is said, that the system prevailing in Prussia is thorough and just. The limit of incomes relieved of all taxation for state purposes has been raised to 900 marks against formerly 600 marks. This measure not only relieved additional members of the poorer classes, but simplified the operation of the whole system. The law of 1891 also introduced the self-assessment or "declaration" of those enjoying an income of 3000 marks or more. The results of this innovation have proved nothing short of splendid... the honesty prevailing in these self-assessments was a surprise even to the optimists." Findlay Shirras: *Science of Finance* p.p. 453-4.

On a general consideration of all the factors involved in the case for and against a local income tax, whether independently or in the shape of an addition to the state tax of the same category, which will then be very easily assessed and collected, we are unable to endorse, under Indian conditions, the view in favour of a local income tax. But that does not make an argument against the local bodies being given a portion off its own collections by the central Government of India. Extra rates on local incomes for specific purposes, and as a temporary measure, may be possible and harmless in certain municipalities.

The proportion of revenues derived from the various kinds of taxes under municipalities in Germany are as under:—Mean percentage rate of taxation in Germany: Proportion of the total taxation falling on:

Towns in	Real Estate Taxes	Trade Taxes	Income Taxes	Luxury & Taxes on Expenditure	Consumption Taxes
Prussia .. ..	32.5%	10.8%	53.7%	2.5%	1.5
Bavaria .. ..	25.6%	33.1%	31.8%	1.8%	7.6%
Saxony .. ..	12.9%	1.3%	81.4%	3.3%	2.4%
Wurttemberg ..	25.2%	32.1%	35.6	1.2%	5.9%
Baden .. ..	35.8%	19.2%	40.3%	0.9%	3.9%
All Germany ..	19.1%	12.4%	35.6%	1.7%	31.3%

would be unfairly penalised or crushed. A supplement has to be devised, and it is commonly sought in purely personal taxes, as distinguished from taxes on property. Personal Taxes usually take the form of **taxes on Trades and Professions**, or **Consumption Taxes**, which justify the first requirement laid down above that they fall invariably on the people of the locality using the tax. But they may be objectionable in so far as that they often do not permit of any graduation of the tax-burdens in accordance with the ability of the taxpayer, especially in consumption taxes on commodities, which are often selected from the revenue standpoint, and so are levied on absolute necessities of life to large masses of the civic population. If the commodities selected are in the nature of luxuries, or are such whose consumption is open to objection on moral or hygienic grounds, then taxation of that character may not be equally objectionable, or on the same grounds. But commodity taxes, as a rule, for purposes of local budgets, must be handled with the greatest care, if we would not trench upon the cost of living of the civic population, or affect injuriously the local industry.\* We are, therefore, inclined to favour taxes on trades and professions, if it is impossible to make up the hiatus in the city's finances in any other way. The latter will not be injurious to the local industry, inasmuch as such taxes can be so manoeuvred as to fall on the net profit of the business; while if they are levied particularly on what are known as the public utility corporations in private hands, the justice as well as the economy of such taxes will be impossible to question. For these corporations make their profits out of the consumption of their wares by the citizens.—a profit, which ought in fairness to have been secured for the citizens if the organisation of the business in question had been founded on the collectivist or cooperative basis. But various considerations of local application render it impracticable to conduct such businesses on the collective municipal basis. That, however, should not be made a reason for not recovering any portion of the profit by way of taxation of the private enterprise, suffered to conduct what must really be considered to be municipal industries or businesses.

If all these taxes do not suffice to make up the deficit in the municipal budget, others are not impossible to find. The **Increment of Values Tax**, <sup>New Taxes, On Increment of Property Values.</sup> particularly favoured in German municipalities for social as well as economic reasons, has possibilities which are not apparently understood in this country. These increment taxes are particularly suitable for local use, inasmuch as the increases in value of real estate are caused almost invariably by social rea-

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\* The tax of 1 rupee per bale of raw cotton coming into Bombay city, and imposed since 1921 on the ground of the development of the city, suffers from this weakness. Its evil effects may not be perceptible at present, owing to the absence near at hand of an effective rival in the cotton industry, but that the tax tends ultimately to fall on that industry, one of the main props of the prosperity of Bombay, cannot be disputed.

sons, for which the proprietors can claim no merit. And as the property increasing in value is of local situation, the equity of the demand becomes irresistible.

On Amuse-  
ments and  
Advertisements

Taxes on Amusements, and even on advertisements, are also primarily of local incidence, though in the latter case of advertisement through the modern newspaper, with its nation-wide clientele, the claim of the municipality to tax may be somewhat doubtful. In Germany, taxes on amusements are entirely municipal or local; but the impecunious provincial governments in present day India claim those sources of revenue to be provincial, and not municipal. We see no reason that can sustain that claim in equity or economy, except the unanswerable logic of the *force majeure*.

Special As-  
sessments,

Special Assessments on specific properties, benefiting particularly from given projects of civic improvement, are more in the nature of prices for service rendered, than in that of a tax proper. The element of taxation in such assessments is to be found, if at all, in the rather arbitrary nature of the charge levied than in anything else. But even prices for definite services rendered or commodities supplied, e.g. water-rate, gas-rate, electric charges, sewage rate and other similar charges for definite local benefits supplied compulsorily as it were, to the citizens, may have an element of arbitrary exaction, which may suggest an affinity with taxation proper, but which in reality must more properly be regarded to be service charges for civic monopolies of public utilities.

## II.—Principles of Assessment in Municipal Taxation.

Basis and  
Mode of Ass-  
essment.

As regards the principles of Assessment to municipal taxation, they do not differ radically from similar principles for national tax assessment; but they offer some interesting features of considerable intricacy, involving nice adjustment between citizen and citizen, property and property, on the combined considerations of equity and utility, which are well worth a closer study than can be attempted in these pages. All we can here attempt is to make some observations on:—(1) the authority which should make the assessment; (2) the limit of the tax, if any; and (3) the mode of assessment.

The Assessing  
Authority.

As regards the authority to make the assessment, it is usually the municipal council and the officers working under it. But its power to make the assessment is often very definitely circumscribed by limits imposed in advance by the state legislature on the maximum tax that can be levied on the assessment made by the municipality. The assessment relates to real property within the city boundaries, and the tax is usually limited to a prescribed percentage of the assessed value of the property taxed, with a view to secure due economy in municipal finances. In practice, however, the experience of many countries

rather points to such limitations acting as a spur to further extravagance; for every time the income of the municipality does not suffice to meet a particular expenditure, they resort to borrowing; and so add up permanent burdens, which prevent the realisation of any economy that may be possible.\* Hence competent and experienced authorities in municipal finance are now veering round to the view that "full power to fix the annual tax rate, and full responsibility for fixing it, should rest with the city's council."† And if uniformity is desired as to what things should be taxed, that may be provided for by the state laws.

As regards the method and principles of assessment of the real estate within municipal limits to municipal taxation, the prevailing methods must be pronounced to be lacking utterly in scientific accuracy or exactness. The fault may lie in the personnel appointed to do the actual assessment, or in the methods with which they work; but all the same faults are there; and it behoves municipal authorities to evolve some scientific and equitable basis for assessment which will leave no room for speculation or inefficiency.

To understand the difficulties of the task, let us analyse a little more fully the issues involved. In the first place: What is Assessment? It is the formal valuation or appraisal of each parcel of land, including buildings upon the land, by municipal officials known as assessors. Obviously, the valuation of the ground lot must be determined by principles different from those of the building thereon, not only because, under our modern conditions of civic property development, the ground very frequently belongs to one and the buildings to another; but also and particularly because, while the supply of ground area is definitely limited, that of the floor space in buildings is capable of an almost indefinite increase, thanks to the modern advance in building industry. While the valuation of the ground depends considerably upon the situation, that of the building must also consider the use to which the particular structure is put. In so far as that use denotes a specialised form of capital, the market for the building would be definitely limited, and so also its value. The basis of valuation, also, is difficult to select; and, even when selected, needs to be checked by some other basis that may not have been principally and directly applied in arriving at the valuation. The separate valuation of lands and buildings may also be desirable for social reasons,

\* The system of statutory restriction of the maximum taxation is adopted in India also. "The system of statutory restriction cannot be said to be an unqualified success. It tends to make the city authorities regard the legal maximum tax levy, rather as a grant of money by the state, than as a limit upon the right to compel public contributions from the public; it has encouraged a greater use of the borrowing powers than would otherwise have been resorted to; and it has not prevented the legislature from changing the limit from time to time in the case of particular cities." Nathan Mathews: *Municipal Charters*, p. 26.

† Munro: *Op. Cit.* p. 410.

which would prevent land within municipal limits to lie needlessly vacant through the inability or indifference of the owner, on whom a tax might act as a spur to building. The index of valuation furnished by the rent payable in respect of particular buildings, and even of plots leased for purposes of building upon; or that by the sale value of the property, may be, and usually is all defective. Finally, the assessment must be revised frequently, say at intervals of ten years, so as to allow for the changing factors affecting the value of property within the city limits.

If the bases indicated above for arriving at a proper assessment are discarded as unsatisfactory, there are positive canons for civic assessment which are well worth enunciating and explaining.

**Canons  
Assessment.**

The lots chargeable to the Property or Real Estate Tax in a municipality have to be assessed according to their market value; and to determine that, the assessor must take into account the locality of the several properties to be assessed. For it is the first postulate in municipal assessment of real estate that the values vary very much according to locality. The city is divided, in countries where they have adopted more scientific methods of assessment, into the several sections of: wholesale business, retail business, manufacturing and residential districts; tenements quarter, and port and dock quarter, if any, &c. Of course, it may be very difficult to mark absolutely hard and fast lines of demarcation between those several districts, for they imperceptibly shade off into one another; but for the general purpose of assessment the lines may be said to operate. Now if we take any one of those sections, say the residential quarter, the value of a given lot will vary according as it is on a main road or away from it; according as its exposure is towards the most pleasant direction for the prevailing winds in the region; according as it is accessible by the available means of civic transportation, and so on. In the last mentioned instance, again, very much may depend upon whether the residents are rich folk with their own means of conveyance, who, however, must use the common civic transportation facilities for their servants and dependents to minister to their daily needs, or whether they are middle class or poor people who must depend entirely upon the common conveyance for their movements to and from their homes and places of business. In the same block, again, values will vary according as a lot is situated on a corner where two or more main streets or roads converge, where the open space available for the children to play, or for mere purposes of recreation and fresh air, is nearer; or as it is situated behind such frontal lots. The depth of a lot, its frontage, its exposure to the main roadway, the presence of a gulley or alleyway in its rear, all those items have to be allowed for before a proper scientific assessment can be said to have been arrived at.

The first step in a scientific assessment, then, is to determine the value of a unit frontage-foot on each side of every city lot, this unit frontage-foot being "defined as a frontage of ground one foot wide and of normal depth, so situated as to be away from any street corner or other influence that gives it an unusual value."\* The normal depth will depend upon the modes of civic building construction in vogue in particular cities. Allowance has next to be made for lots that have either more or less than the standard depth, and the so-called Hoffman rule accepted by American cities is that an ordinary city lot of fifty feet in depth should be assessed at two-thirds of the valuation assigned to an adjoining lot one hundred feet deep. This means that the front half in a city lot embodies two-thirds of its value.† In the appraisalment of the corner lot, next, the valuer's skill and ability will have a wide field, for even amongst the most experienced assessors, opinion is divided as regards the principles and standards of valuation of corners. All that can be said with any certainty is: that corner lots are more valuable than central lots in the same locality; that corners are particularly valuable to sections where advertising facilities are in high demand, or where the utilisation of the breeze is particularly appreciated; that the increase in value falls off as the distance from the corner increases, till at the centre of the block the corner influence ceases altogether.‡

Valuing the Frontage—first step in Assessment.

Assessment of Structures

So much for the assessment of land. Next let us consider the assessment of buildings on urban land. In the case of buildings, assessment is further complicated by additional considerations having to be taken notice of, such as the age of the structure and its relative obsolescence, its state of repair and adaptability to various uses, the nature and cost of construction, and the purpose of its existence &c. It is not impossible to have properly prepared, serviceable, though not absolutely and invariably reliable, tables giving the cost of cubic foot, or square foot of floor area; and the tables may be used to check the estimate of cost given by the owner. The results arrived at

\* Cp. Munro Op. Cit. p. 417. In this summary of the principles of scientific assessment of real estate in cities, we have followed that authority generally.

† The following table indicates the course of the percentages of depth valuation from front to rear of city lots in New York and Cleveland:—

Depth of lot in feet	Percentage of unit valuation	
	Cleveland	New York
1	3.10%	6.76%
10	25.0%	25.98%
20	41.0%	38.99%
30	54.0%	49.47%
40	64.0%	58.49%
50	72.5%	66.67%
100	100%	100.0%
150	115.0%	117.0%
200	122.0%	130.9%
500	137.85%	

It must be added that these tables are merely for the guidance of the city assessors, and not for slavish observance. The assessor must of necessity have a margin of discretion.

‡ A very great help in assessment is afforded by exact maps, giving the plan of the city containing every block and lot in it, each numbered properly, and containing the exact area of the parcel of the land, on which only should assessment be placed, i.e. assessment should be *in rem* and not *in personam*, or on the owner of the parcel.

by these calculations should be checked by comparison with the sale price of similar buildings in the same locality, or rental value if good recent information about these factors is available. In New York City, they have an elaborate classification of buildings according to type, age, use, materials, &c. made by the engineers of the city; and the classification is at the disposal of the civic appraisers. The experience of that city goes to show that such methods are not only practicable in themselves, but of considerable benefit to the city exchequer.

#### Assessment of Personal Property.

Assessment of personal property, wherever practised, is more difficult, owing to a greater range of the properties comprised. Merchandise and mortgages, stocks and shares, bonds and debentures, furniture and fixtures and ornaments, bank deposits &c. have all to be included. The assessor has very little to guide him in his task, beyond the outward indications of a citizen's prosperity, which may be misleading; or the personal declaration of the citizen himself, which may not always be reliable, especially where a sense of public decency has not developed. It is of the frailest and the flimsiest, and yet of the widest practice, that personal property is usually assessed by unadulterated guess work, the assessor making a valuation which he hopes the citizen will stand without a violent protest. As a rule, city people are too tame and busy to kick up trouble; and rather than fight out an assessment laid on them, they would grumble and pay up. But, of course, such methods are the utter negation of science in valuation; and must be discarded wherever possible. A system of universal registration, correlated with a system of universal insurance against fire or burglary, may help, if properly developed, to furnish a reliable indication of personal wealth, which now escapes taxation, except in so far as the income tax, wherever it obtains, can be said to levy a contribution from personal wealth.

#### Assessment in other Taxes.

As regards other taxes, the basis of assessment is often provided by good objective tests. Thus the water tax, for example, may be based on the amount of water used, subject to a minimum; and the scavenging tax similarly may be proportioned to the scavenging and drainage facilities provided for each building. The tax on motor cars, carriages and animals, may similarly be assessed according to a sound objective basis that cannot possibly be disputed; and which may further be apportioned to the ability of the tax-payer more accurately than property taxes admit of.

### III.—Review of the Tax-Income of Indian Municipalities.

#### Distinction between the Tax and non-Tax Income.

The table given on p. 377 *ante* attempts to separate the tax-income of Indian municipalities from the revenue derived from other sources. From the total income of all Indian municipalities in 1921-22, deducting the extraordi-

nary receipts from loans and deposits, we find the tax income of all sorts accounts for 2/3 of the total revenue; while in the larger cities, the tax-income reaches a still higher proportion as in Bombay, where 2.43 crores out of a total revenue of 3.20 crores, or over 75% is derived from taxation. We shall give, in the next section, a brief review of the assessment and collections under the principal taxes in the Presidency municipalities of India. Here let us consider only the number and nature of the taxes which, by law, the leading municipalities in India are empowered to impose.

### The Number of Taxes.

In Bombay, under the law, the number of taxes open to the municipality seem to be the fewest, though the yield is greatest among the Presidency municipalities. Under S. 139, the Corporation of Bombay may impose property taxes, which include a water tax, halalkhore or scavenger's tax, and a general tax, a tax on vehicles and animals, and the town duties.\* These are, of course, in addition to the Fees and License Duties, which might be confused with taxation proper; and from which the municipalities in India derive no inconsiderable revenue. Bombay Taxes.

In Madras, on the other hand, under Section 98 enumerating the various taxes the corporation "may levy", the authorised taxes are, a property tax, a tax on companies, a profession tax, a tax on carriages and animals, a tax on carts, on timber brought into the city, and tolls on vehicles and animals entering the city. Besides these, the corporation is authorised to levy, with the previous sanction of the Governor in Council and of the Governor-General in Council,† a duty on certain transfers of property in the shape of an additional stamp duty, which, in Bombay, is included under Fees. The Madras Property Tax is a consolidated rate levied on all buildings and lands within the city, and including a water and drainage tax, a lighting tax, and a tax for general purposes. Madras Taxes

In Calcutta, the municipality has power to impose a consolidated rate on property, together with taxes on vehicles and animals, on dogs, on trades and professions, on petroleum and on carts, and a scavenging tax. The cart tax is in the nature of a registration fee, properly speaking; while the Calcutta tax on trades, professions and callings is somewhat different from the Madras prototype including the tax on companies. The water-rate as well as the scavenging-rate is, in Calcutta, separate from the general tax on property, which in all cases is, of course, the real property. Calcutta Taxes.

\* The section says:—"For the purposes of this Act, taxation shall be imposed as follows" &c. &c. But it may be suggested that if the municipal income from other sources should be sufficient for its needs, there would be no meaning in this "shall be," a compulsory injunction for the imposition of taxes as it stands.

† We do not see any necessity whatsoever of the Governor-General's prior sanction.



Bangoon Tax-  
es,

In Bangoon, there are taxes on houses and lands, animals and vehicles, trades and professions (receipts nil), roads and ferries, besides the water-rate, the lighting and the conservancy rates. The Fire Tax is voted down and also Terminal Town Duty.

Basis and  
Process of As-  
sessment :  
Bombay and  
Calcutta Models

The next interesting point is the basis and the method or process of assessment. As regards the basis, it varies in the different municipalities from "rateable" value to "annual" value. Bombay prefers the former, while Calcutta and Madras declare for the latter. In essence, however, the difference is very slight. Thus in Bombay, though the rateable value is not defined clearly in the section on Definitions, s. 154 (1) practically makes it analogous to, if not identical with, the "annual value" spoken of by the Calcutta and the Madras Acts.\* The Calcutta Act speaks quite clearly :

"For the purpose of assessing land and buildings to the consolidated rate, (a) the **annual value** of land, and the annual value of any building erected for letting purposes or ordinarily let, shall be deemed to be the gross annual rent at which the land or building might at the time of assessment reasonably be expected to let from year to year, less, in the case of a building, an allowance of ten per cent. for the cost of repairs and for all other expenses necessary to maintain the building in a state to command such gross rent." (S. 127).

The annual value of building not erected primarily or ordinarily for renting is similarly to be fixed at 5 per cent of the estimated cost of such erection, plus the cost of the site on which the structure is situated, and minus a reasonable allowance for depreciation. There is no mistaking the intention of this section.

Practice in  
Madras,

Madras follows the same excellent model, and clearly defines its "annual value" to be : "the gross annual rent at which they may reasonably be expected to let free from month to month or from year to year, less a deduction of ten per centum of such annual rent" in lieu of repairs. Madras is a little more stringent as regards the buildings erected not primarily for letting, as it fixes the annual value of such buildings to be 6% of the cost of erection.

Buildings and  
Land taxed  
jointly.

The buildings and land are generally spoken of in the same conjoint phrase: and it is a little difficult to say, if, under the law as it stands, lots never built upon are liable to be assessed to the municipal tax, though the

\* "In order to fix the rateable value of any building or land assessable to a property tax, there shall be deducted from the amount of the annual rent for which such land or building might reasonably be expected to let from year to year, a sum equal to ten per cent. of the said annual rent, and the said deduction shall be in lieu of all allowance for repairs or on any other account whatever." S. 154 (1) of the Bombay Municipal Act 1922.

Sub-section (2) of the same section excludes the value of the machinery on the property assessed from the rateable value of the building; but what precisely the rateable value itself is, is not as clearly and unequivocally declared by the Act as may be desired. S. 158 relating to the Assessment book and the particulars to be entered therein speaks in clause (b) of : "the rateable value of each such building and land determined in accordance with the foregoing provisions of this Act," while s. 144, speaking of the valuation of the Government buildings chargeable to the general tax, says : "The said value (rateable) shall be fixed by the said person with a general regard to the provisions hereinafter contained concerning the valuation of property." &c. &c. But neither in the foregoing nor in the succeeding sections can we find a clear definition of rateable value,

wording of the Calcutta section is very much clearer, and gives hardly any room for the doubt here expressed. Section 100 of the Madras Act, already quoted from, says: "Every building shall be assessed together with its site and other adjacent premises occupied as appurtenances thereto, unless the owner of the building is a different person from the owner of such site or premises."

Provision is also made, in all cases, for a deduction in regard to the property remaining vacant, which all indicates that land never built upon will logically not be possible to value, and so not be assessed. Vacant land exempted.

The law in India also fixes the maximum rate of the property tax open to the municipality. "A consolidated rate not exceeding twenty three per cent. on the annual valuation determined under this chapter may be imposed by the corporation upon all lands and buildings in Calcutta for the purposes of this Act"\* Maximum rate of tax fixed by the constituent Act

The Bombay Property taxes include†

Property Taxes in Bombay

- (a) A water tax of so many per centum of their rateable value as the corporation shall deem reasonable with reference to the expenses of providing a water supply for the city;
- (b) A Halalkhore Tax of so many per centum not exceeding three of their rateable value as will, in the opinion of the corporation, suffice to provide for the collection, removal and disposal, by municipal agency, of all excrementitious and polluted matter from privies, urinals and cesspools, and for efficiently maintaining and repairing the municipal drains &c. &c.
- (c) A General Property Tax of not less than eight and not more than seventeen per centum of their rateable value, together with not less than one-eighth and not more than three quarters per centum of their rateable value added thereto in order to provide for the expense necessary for fulfilling the duties of the corporation arising under clause (k) of Section 61 and Chapter XIV.

The General Property Tax and the Halalkhore Tax are thus fixed in maximum, while the rate of the water tax is left to the discretion of the corporation subject to the limitation that its proceeds should equal the expense incurred for supplying the city with water.

Madras, conservative in most other respects, is surprisingly liberal in this connection, more than either Calcutta or Bombay. Section 99 of the Madras City Municipal Act, (2) ordains :— Madras most advanced.

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\* S. 124 Calcutta Municipal Act of 1923.

† S. 140 of the Bombay Act. There are, of course, numerous exemptions from municipal taxation, e.g. of properties devoted to religious worship or charitable purposes. On Government property  $\frac{4}{5}$  of the ordinary Tax is levied.

"Subject to the provisions of Section 102 [which deals with some special exemptions and alternative bases for the property tax, which it requires shall be levied at a uniform rate] the taxes described in sub-section (1) [i. e. a water and drainage tax, a lighting tax and a general tax] shall be levied at rates fixed at percentage of the annual value of lands and buildings, such rates being determined by the council".

Consequence  
on civic indebt-  
edness.

This is remarkable, and the result is noticeable in the relatively far lower indebtedness of Madras as compared with either Bombay or Calcutta. Because Bombay has no maximum fixed by law to its water rate, the water debt of Bombay has grown out of all proportion; whereas the debt on account of drainage, the maximum rate in respect of which is fixed by law, is not growing in anything like the proportion of the water debt, though the need for improved and more up-to-date drainage facilities is at least as great as the need for better water supply.

Property Tax  
in Rangoon

In Rangoon, the property taxes include a general municipal tax at 7%, plus an 8½% scavenging tax on some properties, and a 6½% scavenging tax on others, plus 1½% lighting tax, plus 6½% water tax, or a total of 21½ to 23½%. This is a fairly high level of municipal taxation, though it is exceeded by the Bombay tax.

Taxed Persons

As regards the person primarily responsible for the payment of the municipal dues, the Indian municipal codes make the proprietor, or failing him the lessor, responsible primarily for the payment of those taxes, though the tenant or the occupant is not quite absolved from liability. Calcutta divides the liability for payment: "one-half of the consolidated rate shall be payable by the owners of the lands and buildings (and if these are not the same persons?), and the other half by the occupiers thereof". \* Madras quite explicitly says: "The property tax shall be paid by the owner of the assessed premises in two equal instalments";† while Bombay tries to be important and complex by statutorily noticing distinctions in the various rights and claims to real estate within the city, which her sister municipalities have thought better to avoid.‡ There is, however no doubt that the theory accepted by the

\* S. 149 of the Calcutta Municipal Act of 1923.

† S. 104 of the Madras City Municipal Act. The Calcutta tax is payable quarterly.

‡ S. 146 of the Bombay Act lays down:—

- (1) Property taxes shall be leviable from the actual occupier of the premises upon which the said taxes are assessed, if such occupier holds the said premises immediately from Government or from the Corporation or from a Fazendar
- (2) Otherwise the said taxes shall be primarily leviable as follows: namely,
  - (a) if the premises are let, from the lessor;
  - (b) if the premises are sub-let, from the superior lessor; and
  - (c) if the premises are unlet, from the person in whom the right to let the same vests.
- (3) But if any land has been let for any term exceeding one year to a tenant, and such tenant has built upon the land, the property taxes assessed upon the said land and upon the building erected thereon shall be primarily leviable from the said tenant or his legal representative, whether the premises be in the occupation of the said tenant or of his legal representative, or of a sub-tenant."

The foregoing is noticeable for another peculiarity in municipal taxation. The property taxes are here considered clearly to be taxes *in rem*, i. e. taxes on the property, and not on the person of the owner or the occupier.

Bombay legislation is to impose the taxpaying liability on the owner, or the superior tenant in respect of a sorites of tenancies one under the other.

The Companies Tax and the Tax on Trades, Professions and Callings <sup>Companies Tax and the Tax on Trades, Professions and Callings</sup> obtain in Madras, and the following rules regarding their assessment will serve to show their nature and bearing:—

## PART II. Assessment of Companies.

(Section 110)

7. Companies shall be assessed by the commissioner on the following scale:—

Paid-up capital.		Half yearly tax.
<i>Lakhs of rupees.</i>		<i>Rs.</i>
A.	Twenty and more than twenty .. ..	1,000
B.	Ten and more than ten, but less than twenty ..	500
C.	Five and more than five, but less than ten ..	250
D.	Three and more than three, but less than five ..	150
E.	Two and more than two, but less than three. ..	100
F.	One and more than one, but less than two ..	50
G.	Less than one .. ..	30

Provided that any company, the head office or a branch or principal office of which is not in the city, and which shows that its gross income received in or from the city has not in the year immediately preceding the year of taxation exceeded—

(a)	twenty-five thousand rupees, shall pay only ..	125
(b)	fifteen thousand rupees, shall pay only ..	75
(c)	five thousand rupees, shall pay only ..	25

## Assessment for Profession Tax.

(Section 111.)

8. Persons shall be assessed by the commissioner to the profession tax under the following classes on a scale to be determined by the council from time to time :

Provided that such scale shall be subject to the maximum and minimum specified against each class, and shall proceed proportionately either to the maximum or the minimum scale:—

**TAX ON PERSONS HOLDING APPOINTMENTS FOR EXERCISING PROFESSIONS, ARTS, TRADES, AND CALLINGS.**

Class I.		Half yearly. Maximum. Minimum.	
		<i>Rs.</i>	<i>A. Rs. A.</i>
(1)	All persons holding any appointment upon a monthly salary of five thousand rupees or upwards .. ..	500	0 350 0
(2)	All other persons exercising any profession, trade, art or calling, or their agents or servants in their absence .. ..		

## Class II.

- |  |   |     |   |     |   |
|--|---|-----|---|-----|---|
| (1) All persons holding any appointment upon a monthly salary which amounts to three thousand or upwards but is less than five thousand rupees | } | 300 | 0 | 210 | 0 |
| (2) All other persons described in class I, but not assessed under class I .. .. .   |   |     |   |     |   |

## Class III.

- |  |   |     |   |     |   |
|--|---|-----|---|-----|---|
| (1) All persons holding any appointment upon a monthly salary which amounts to two thousand or upwards but is less than three thousand rupees. | } | 200 | 0 | 140 | 0 |
| (2) All other persons described in class I, but not assessed under class I or II .. .. .   |   |     |   |     |   |

## Class IV.

- |   |   |    |   |    |   |
|---|---|----|---|----|---|
| (1) All persons holding any appointment upon a monthly salary which amounts to one thousand or upwards but is less than two thousand rupees | } | 90 | 0 | 60 | 0 |
| (2) All other persons described in class I, but not assessed under any of the previous classes ..   |   |    |   |    |   |

## Class V.

- |  |   |    |   |    |   |
|--|---|----|---|----|---|
| (1) All persons holding any appointment upon a monthly salary which amounts to seven hundred and fifty or upwards but is less than one thousand rupees | } | 45 | 0 | 30 | 0 |
| (2) All other persons described in class I, but not assessed under any of the previous classes ..  |   |    |   |    |   |

## Class VI.

- |  |   |    |   |    |   |
|--|---|----|---|----|---|
| (1) All persons holding any appointment upon a monthly salary which amounts to five hundred or upwards but is less than seven hundred and fifty rupees .. .. . | } | 30 | 0 | 20 | 0 |
| (2) All other persons described in class I, but not assessed under any of the previous classes ..  |   |    |   |    |   |

## Class VII.

- |  |   |    |   |   |   |
|--|---|----|---|---|---|
| (1) All persons holding any appointment upon a monthly salary which amounts to two hundred or upwards but is less than five hundred rupees .. .. . | } | 12 | 0 | 8 | 0 |
| (2) All other persons described in class I, but not assessed under any of the previous classes. ..   |   |    |   |   |   |

## Class VIII.

- |   |   |   |   |   |   |
|---|---|---|---|---|---|
| (1) All persons holding any appointment upon a monthly salary which amounts to one hundred or upwards but is less than two hundred rupees | } | 5 | 0 | 4 | 0 |
| (2) All other persons described in class I, but not assessed under any of the previous classes ..   |   |   |   |   |   |

## Class IX.

All hotel-keepers, lodging, boarding or eating or refreshment-house keepers and shop-keepers not assessed under any of the previous classes .. .. . 1 0 0 8

9. (1) The commissioner may classify all persons liable under rule 8, but not in receipt of a fixed salary or remuneration, on general considerations with reference to the nature and reputed value of their business, the size and rental of residential and business premises, the quantity of articles dealt with, the number of persons employed and the income-tax paid to Government. The commissioner shall not call for accounts of any assessee, but any person may produce his accounts to show that the net income derived by him from the exercise of his profession, art, trade, or calling within the city falls below the lowest limit of salary entered at the head of the class in which the commissioner has placed him, and the commissioner shall revise the assessment, if satisfied that the person should be placed in a different class.

(2) The commissioner may exempt any person falling within the ninth class on the ground of his poverty.

## PART III.

## Tax on Carriages and Animals.

(Section 116.)

10 (a) The tax on carriages and animals shall be levied at half-yearly rate not exceeding those shown in the following table :—\*

	Half-yearly instalment. Rs.
For every motor or steam vehicle with metal tyres constructed to carry 2 tons or more .. ..	200
Additional charge for each trailer .. ..	100
For every motor or steam vehicle with cushion or solid rubber tyres constructed to carry 2 tons or more .. ..	100
For every motor or steam vehicle with pneumatic tyres constructed to carry 2 tons or more .. ..	75
Additional charge for each trailer with cushion or solid rubber tyres .. ..	75
Additional charge for each trailer, pneumatic tyres. .. ..	50
For every motor or steam vehicle constructed to carry 1 ton or less than 2 tons .. ..	75
For every tram-car .. ..	50
For every motor-bus or charabane constructed to carry 15 or more persons .. ..	200

\* The table was substituted for the original table by section 3 of Act No. VII of 1922, The Rates have been recently sought to be increased.

For every motor-bus or charabanc constructed to carry less than 15 persons but more than 7 persons.	150
For every four-wheeled motor vehicle constructed to carry not more than 7 persons but more than 3 persons and plying for hire .. .. .	75
For every four-wheeled motor vehicle constructed to carry not more than 7 persons but more than 3 persons and not plying for hire .. .. .	35
For every four-wheeled motor vehicle constructed to carry 3 or less persons .. .. .	25
For every motor tricycle and every motor bicycle with or without side-car .. .. .	15
For every four-wheeled vehicle constructed to be drawn by one or more animals .. .. .	10
For every two-wheeled vehicle constructed to be drawn by one or more animals .. .. .	5
For every other bicycle or tricycle .. .. .	2
For every other carriage not being a child's perambulator or go-cart .. .. .	3
For every elephant .. .. .	12
For every camel .. .. .	6
For every horse or mule not under 12 hands .. .. .	6
For every horse or mule under 12 hands .. .. .	2
For every bull, bullock, male buffalo, ass or dog .. .. .	1

(b) If, within the half-year, a person replaces any carriage or animal by another carriage or animal falling under the same class in the table given in clause (a), he shall not be liable to more than one payment of tax and the amount of such payment shall be regulated by the aggregate number of days for which he has kept such carriage or animal during the half-year.

#### PART IV.

##### Tolls.

(Section 130)

11. (a) Tolls shall be levied at the rates shown in the following table:—

	RS.	A.	P.
On every four-wheeled motor-vehicle constructed to carry less than ten persons .. .. .	0	8	0
On every other steam or motor four-wheeled vehicle .. .. .	1	0	0
On every motor-tricycle or motor-bicycle with or without side-car .. .. .	0	6	0
On every other bicycle or tricycle .. .. .	0	2	0
On every other carriage .. .. .	0	3	0
On every cart .. .. .	0	2	0
On every horse, mule, ass, buffalo, bull, bullock, camel or elephant .. .. .	0	1	0

(b) Payment of a toll in respect of any vehicle covers the animals engaged in drawing it.

(c) Not more than a single payment of toll may be demanded in respect of any vehicle or animal during any one period of twenty-four hours counted from midnight to midnight.

The Calcutta tax on trades and professions includes, in the appropriate <sup>Calcutta Pro-  
fessions Tax</sup> schedule annexed to the main Act, a very minute analysis and classification in 9 main classes and 83 sub groups, comprising huge companies with capital paid of 20 lakhs or more, merchants, bankers, doctors, lawyers, newspaper-proprietors, printers, taxicab-owners, brokers, stevedores, ship-owners, hawkers, hotelkeepers, carriage-owners and dealers &c. &c. The tax is attempted to be assessed according to the rent of the business premises in most cases, that being taken to be the index presumably of the success of the enterprise.

Bombay is unique among the Presidency municipalities in charging Town <sup>Bombay  
Town Duties</sup> Duties, a form of Octroi, according to the undermentioned schedule:—

Articles	Maximum rate of Town duties leviable under S. 192
Grain of all sorts	6 annas per khandi
Flour of all sorts	75 per centum of the rate at the time being levied on the grain from which the flour is prepared.
Wines and spirits	4 annas per imperial gallon
Beer	6 pies " " "
Sugar, molasses and Gur	8 annas per cwt.
Ghee	10 annas per Bombay Maund
Timber exclusive of Railway sleepers	2½% of its market value
Firewood	2 annas per khandi.

These duties are now sought to be made non-refundable, though under the existing Act, if the dutiable goods are imported for immediate export, no <sup>Critique of  
non-refundable  
Town Duties</sup> duties may be charged; while if the goods are exported within 6 months of import, the duties may be refunded in all other cases and within twelve months, in the case of timber.\* We have already declared our opinion as regards the undesirable tendencies of this tax falling with injurious pressure on the articles of the necessaries of life consumed by the large majority of the poor working classes within the city; and accordingly we cannot but condemn this source of indirect taxation. For an industrialised city like Bombay, a direct tax on trades and professions will, in our opinion, be much more equitable, and not a whit less productive. Apart from this general objection on principle to these duties, we may further point out that the tax will become insupportable, if it is anything more than 1/8th or 1/4th of one per centum of the price of these goods, which will in many cases be chargeable to the customs duties of the central government as well; and the taxation of which by the municipality, being under such definite limits, cannot be utilised to make any considerable economic changes affecting the industrial organisation of the country. Municipalities are, indeed, definitely restrained from using these taxes as anything but income-yielding resources; and they have no right to discriminate between goods of native origin, and those imported from

\* See S. 194 A and 195 of the Bombay Municipal Act of 1923.



abroad; between goods brought to the city by the costlier railroad transport or by the more economical water transport, if available.

#### IV.—Some Important Taxes in Indian Municipalities Specifically Considered.

Individual  
Taxes.

We have reviewed the most important tax-resources of the Indian municipalities. Let us, for the sake of a clearer insight, next consider the position to-day of some of the more important taxes in the Indian Municipal Budgets. Let us group these under :—(1) Taxes proper, including both direct and indirect taxation; e.g. Taxes on Trades and Professions, or animals and carriages or vehicles of all sorts, Taxes on houses and lands, or Town Duties or Octroi; (2) Service Dues, which have been made uniform and analogous to taxation; e.g. water and sewage rates.

##### A. The Property Tax.

Property Tax-  
es and their  
potentialities.

**Bombay:**—The Property tax is a consolidated rate, including the house duty, police rate and lighting rate, amalgamated and consolidated since 1878, and levied at 11% since 1922-23. The Corporation has powers under the Act to raise it to 17%. The total yield of that tax was, in 1923-24, Rs. 1,11,11,253, on an aggregate rateable value of the properties in the city of Rs. 11,38,13,849. There has been a remarkable growth in the rateable value of the property

Year	Rateable value of properties in Bombay.	Increase over previous valuation	in the city of Bombay, as shown in the marginal table. If the tax were levied at the maximum rate permitted by law, the income from that source would increase, on the valuation of 1923-24, by Rs. 69.81 lakhs per annum.
1900-01	Rs. 3,13,75,106	66%	The rateable value of the properties in Bombay city has increased by 120 per cent. in 15 years, or by 263% in 25 years of the present century. This indicates an average annual increment of about 10% roughly speaking, which, if allowed for in the growth of income under that head, will account for Rs. 10 lakhs per annum more under the present valuation,
1910-11	„ 5,20,51,478	18%	
1917-18	„ 6,12,34,537	43%	
over 1910-11		48%	
1918-19	„ 7,46,87,830	61%	
1919-20	„ 7,72,47,429	80%	
1920-21	„ 8,39,21,642	96%	
1921-22	„ 9,34,04,409	119%	
1922-23	„ 10,12,68,976		
1923-24	„ 11,38,13,849		

and at the present rate of the tax; while at the maximum rate allowed under the law, it might mean an annual income from this source of 111 lakhs, plus 69 lakhs (the difference between the present rate and the maximum allowed) plus 10% increment owing to the improvement

in the value of the property in the city, or an aggregate of 198 lakhs, or 2 crores in round figures.\*

The revenue is derived from the following authorities and sources:—Government, Port Trust, and the City Improvement Trust are charged at special rates, the latter the Government being  $\frac{4}{5}$ ths of the general rate. The Government properties must be taken to include the railway properties within the city. It is a little difficult to see why commercial concerns like the railway should have a specially favourable treatment accorded to them. In proportion to the total, the amount may seem to be negligible, though by itself the railway property tax, if charged at the common rate, would mean quite a substantial sum in a city like Bombay, with two independent lines and their very extensive terminal properties, not to mention the suburban sheds, stations, workshops &c.

The consolidated rate in Bombay does not include the service dues for water supplied and drainage facilities. Together the service dues aggregate Rs. 82,23,204, of which the water rate amounted to Rs. 53.67 lakhs, being Rs. 26.20 lakhs for the tax proceeds on rateable value, Rs. 25.29 lakhs from the sale proceeds, and the balance due to hire of meters, rent of buildings, compounded tax &c.; while the halalkhore tax receipts from rateable value accounted for 26.71 lakhs. Between them, they make an addition of 5% to the general property tax which is further supplemented by a fire tax of  $\frac{1}{3}$ % on the rateable value, or a total property taxation of  $\frac{1}{6}$ th of the rateable value.

**Calcutta** :—The receipts from the Consolidated rate aggregate Rs. 1,16,82,674, on the total valuation of the properties in the city of Rs. 6,54,66,788. The General property tax, apart from service dues, accounts for some 71 lakhs in the eastern metropolis of India, and the total tax is  $17\frac{1}{2}$ %, leaving a margin under the Act of  $5\frac{1}{2}$ %, or a possible increase of 32½ lakhs. The properties in that city have grown in value in the following manner:—

Value of the properties  
on the 31st March of:—

1900	Rs. 2,19,49,992	This shows that property				
1910	„ 3,33,81,056	or increase of	50%	over 1900	in Calcutta does not	
1915	„ 4,34,09,338	„ „	100%	„ „	appreciate as rapidly as	
1920	„ 5,28,92,763	„ „	141%	„ „	in Bombay, which,	
1921	„ 5,60,60,063	„ „	155%	„ „	comparative to its area	
1922	„ 6,10,84,763	„ „	178%	„ „	and population, is a very	
1923	„ 6,63,75,284	„ „	201%	„ „	highly overcrowded city;	

\* It may be interesting to note that in the United States the urban real estate is assessed at an approximate total of 25,000,000,000 dollars, while personal property is assessed at a little more than 4,000,000,000 dollars (cp. Munro: Op. Cit. 405.)

and consequently the value of real estate in Bombay is naturally much greater, and its appreciation more rapid. Calcutta shows an appreciation of rateable property of about 8 per cent per annum, while its original valuation seems to be about one-half that of Bombay. As against the possible increment of Rs. 10 lakhs per annum due to mere appreciation in values in Bombay, Calcutta can budget only on a corresponding increment through value appreciation of only about 6 lakhs in the general rate, or 9 lakhs in the consolidated rate including service dues.

Property Taxation in Rangoon.

\* In Rangoon :—"Out of a total municipal revenue of sixty-nine lakhs of rupees in 1923-24, no less than forty-eight and a half lakhs were derived from property taxes. The properties included within the boundaries of the city are, for several reasons, divided in the Assessment List under four heads, (1) Private Property, (2) Government Property, (3) Port Commissioners' Property, and (4) Railway Property. The total annual value of each is given in the following table :—

Private Property Rs.	2,06,97,936	The corresponding figure for 1922-23 was
Govt. Property ..	16,47,036	Rs. 2,20,73,040, the increase on the year
Port Com. ..	10,67,496	being therefore Rs. 20,99,496. The tax
Railway ..	7,60,068	was paid as follows :—
Total .. ..	2,41,72,536	
		Private Property .. Rs. 43,23,996
		Govt. .. .. 3,33,356
		Port Commission .. 8,88,512
		Railway .. .. 1,39,899

Property Taxation in Madras.

In Madras the revenue from all sources in 1923-24 amounted to Rs. 53,95,036, of which the gross demand on account of property taxes was Rs. 32,49,962.

The process of assessing.

The assessment is usually conducted, under the provisions of the Acts constituting the several municipalities, by the executive authority, who is bound to keep an Assessment Book, in which all particulars relative to the assessed properties including the area, the value (rateable), the name of the owner or person liable to pay the municipal taxes,† &c. are recorded. The tax on

\* Cp. The Rangoon Municipality Administration Report for 1923-24, paras 22-25. The annual increment in Rangoon thus approximates to close upon ten per cent; but, as the compiler of the report points out, the latest figures are inflated to some extent owing to a very considerable spurt in building activity in Rangoon. We may take 7½% to be a fair annual increment. The Madras Administration Report gives no details of this kind.

† From the property taxes the Indian Municipal codes usually exempt land and buildings devoted to charitable or religious purposes, and give special treatment to Government land and to properties belonging to such semi-public bodies as the Port Trusts and the City Improvement Trust. No exemption or special treatment is given to gardens attached to houses—except in so far as the land built upon may have become more valuable than as vacant or garden land. In Rangoon, however, an interesting dispute is going on between the Municipality and the Local Government regarding the exemption of School buildings from the municipal taxes on property.

"The vexed question of taxes on schools remains unsettled. Under the previous Act, schools were exempted from the payment of the general and lighting taxes. No such exemption was provided for under the City of Rangoon Municipal Act, 1922. The Corporation contends that there is no reason why schools, more than other buildings, should be exempt from taxes. The Local Government holds the view that such exemption should be continued as a formality. The final opinion of the Local Government is now awaited."

See Report on the Municipal Administration of the City of Rangoon pp. 14-15.

the property is fixed by executive fiat, the proprietors being given a chance to complain against the assessment if they consider it unjust; and the assessment fixed after the complaints have been heard and disposed of is final. The Rangoon administration Report for 1923-24 gives a pretty accurate idea of the modus operandi in assessment, as well as of the duties of the assessment officers of the municipality; and the following extracts from that document will serve to illustrate the nature of the task of assessing properties to municipal taxation in India:—

The duty of the Assessment Department is to distribute equitably <sup>Duties of the Assessment Department.</sup> the burden of this taxation among all the properties within the boundaries of the city. Under the Act, each of the four property taxes is calculated as so much per cent of the annual value of lands and buildings within the municipal area. "Annual value," is defined as the amount for which lands and buildings may reasonably be expected to let, from year to year, and in the case of buildings, may be expected to let unfurnished. The main duty of the Assessment Department is therefore to determine this "annual" or as it is customarily expressed in Rangoon, "monthly" value. <sup>(1) Determine Annual value.</sup> It is from this "monthly" value of each separate property that the amount of taxes to be paid by that property is calculated. The whole of the collection of taxes, therefore, rests on the operations of the Assessment Department. Every year, there is prepared the Assessment List of the city. This is a list in which every separate holding of land or buildings is recorded together with its monthly value as estimated by the Assessor. This Assessment List is published in the month of January. Advertisements are issued calling attention to the fact that it is open for inspection in the office of the Assessor. Every owner of property has the right, if he considers the valuation of such property in the list excessive, to apply to the Commissioner for its reduction. If dissatisfied with the order of the Commissioner, he has a right to appeal to the Small Causes Court. So far as the public is concerned, therefore, an opportunity is given once a year for the correction of errors in the list.

Another branch of the work of the Assessment Department is to watch <sup>(2) Valuation of new houses.</sup> the erection of new houses and to secure their entry into the Assessment List at an appropriate valuation as soon as they are ready for occupation. In Rangoon, where for years past building operations have been extensive and unceasing, this is not the least important part of its work. It is work that requires constant vigilance. But even the "annual value" of existing houses is not a thing that, in Rangoon, remains constant. It is a matter of common knowledge that the amount at which houses are let varies very considerably from time to time. The Assessment Department, therefore, undertakes a programme of general revision of a valuation which is so designed that each circle comes under such revision, at intervals of roughly five years. In a general revision, the Assessor and his assistants visit every item of property, lands and buildings, in a circle, and determine its 'annual' or 'monthly' value in accordance with the definition in the Act. The Assessment List is then corrected by the substitution of the valuations so made for the existing entries. Notice of each valuation is given to the owner, who has the right of appeal, as explained above, to the Commissioner and the Court of Small Causes. It is by this means, and this means only, that the valuations entered in the Assessment List are kept in conformity with the real values of the lands and buildings.

(8) Preparation of tax tickets.

The tax tickets, that is, the bills stating the exact amount due as property taxes from each item of land and buildings in the Assessment List, are prepared in the Assessment Department once a quarter and issued to the Akunwun for collection by the Thugyis.

The rules under the Act provide for remissions and refunds of taxation in certain contingencies, such as when buildings are unlet and empty or have been destroyed or pulled down. The Assessor is responsible for dealing with all such applications for remissions and refund, checking the accuracy of the statements on which they are based and calculating the exact amount of remission or refund which should be allowed.

#### V.—Critique of the Property Taxes in Indian Municipalities.

Adjustment of Tax-burdens unsound.

This brief review of the Property taxes in the Indian municipalities suggests some very pertinent reflections on the nature and operation of those taxes. That the burden of those taxes falls primarily on property which otherwise escapes tax-burdens of the community altogether—except in so far as the property owner is chargeable to the national Income Tax, is too patent a fact to need any elaboration. But the assessment of the properties seems to be conducted by the rule of thumb rather than by scientific methods, with accurate standards to guide the assessor; and the valuation finally arrived at for the basis of apportioning the tax may not unfairly be called into question from the standpoint of accuracy. If the basis of tax-adjustment is not reliable, the apportionment itself can scarcely be deemed to be just; and as for the tax fulfilling the central principle of sound adjustment in tax-burdens, viz. apportionment according to ability, the existing methods provide, at the very best, a most crude and unsatisfactory ground plan. The uniformity in the tax-burden is, perhaps, a little too much emphasised, the maximum open to municipalities being about 23%; but as within the maximum allowed, the municipal authorities still keep a reserve unused, the uniformity is more in appearance than in reality. The uniformity moreover is not very particularly indispensable, as from its very nature, such property cannot be shifted from the region of the higher tax-burden to that of the lower tax-burden; and therefore there is no danger of the burden being avoided. But in so far as there is or may be room for under-assessment, unavoidable in the absence of scientific data for the assessment officers to work on, the adjustment of the tax can scarcely be claimed to be creditable. There is, besides, very haphazard revision of the valuation of the properties once assessed. The increments in values noticed in such cases as Bombay or Rangoon is the result rather of new construction on old plots or on new plots altogether, than of any note having been taken in the official assessment book of the automatic increase in values due to social causes. On principles of financial equity, there ought to be differential taxation on such increased values, since the increase is due *ex hypothesi* to social factors not to the individual exertions of the proprietors. In many European

countries, notably in Germany, urban increments in values are most jealously regarded by the municipalities, and as a matter of course they are considered to be entitled to a share in these increases by way of special taxation of the same. This taxation is facilitated by the original property tax being imposed on the sale value of the land, and not on its rateable or rental value, i. e. the rent it would fetch per month or per annum if let from time to time. If the valuations were made originally on some scientific basis instead of on the mere whim of the assessing authority modified, if at all, by the purse or the pugnacity of the proprietor, and if those valuations were made revisable regularly at fixed intervals of say five years, the Indian property taxes in municipalities may be able to avoid the present criticism. But even if this reform were carried out, there is another basic defect in the assessment of properties to municipal taxation in India, which needs to be noted and specially provided against. There is no room for discriminating in the rate of the tax, according to the uses to which particular properties are put. A great modern hotel is charged at the same rate as a tramway depot,—if it is charged at all,—a modest little way-side eating-house, a theatre, a nobleman's bungalow as well as a purely slum property. There is differentiation, of course, in so far as the value in each of those several cases, would be different; but we submit the requirements of distributive justice in municipal tax-adjustment demand that there be made a further discrimination as between such several kinds of properties, with their manifestly different abilities to bear the tax. If the constituent acts lay down that the taxation should be at uniform rates, the acts themselves should be amended, but we can no longer overlook this crying need of reform in municipal finance. We need hardly add, that if the principle of discrimination between the different properties differentiated according to their uses, were adopted and an attempt made to introduce some kind of progressive element in municipal taxation, the municipal exchequer will necessarily benefit, even if, as a logical counterpart of this suggestion, the principle of exemption and special treatment is extended to include the properties owned by co-operative building societies, or other similar organisations specially catering for house-room for the poorer classes.

As regards the taxation of unearned increment in site and building values in Germany, "The taxable increment is held to be excess of the price

Taxation of  
unearned increment in Germany.

or value on re-sale or transfer over the price or value at the previous change of ownership. The seller, however, is allowed to deduct all expenditure on permanent improvements, inclusive of the cost of street-making and sewage connections, though expenditure on new buildings and re-building cannot be deducted when covered by the proceeds of fire, water, or other insurances. It is also to tax land built upon from one-third to one-half less than land that is still free, and as a rule, an increment which does not exceed 10 per cent (or more) of the earlier value is exempted altogether from taxation. In the case of ground not built upon, if not used by the

owner for agricultural or industrial purposes, loss of interest up to 4 per cent and expenditure incurred in keeping it in good condition may be added to the former purchase money, but any receipts derived from the land must, on the other hand, be deducted. While the tax on the sale or property is paid by the purchaser of the property, the unearned increment tax is paid by the seller.

Breslau.

The tax as levied at Breslau may be taken as a fair example of the graduation usually adopted. There the first 10 per cent of increased value is exempt from taxation, and afterwards the following rates apply:—\*

Increased value—				Tax.	
10	to	20	per cent inclusive	6	per cent
20	„	30	„ „	8	„
30	„	40	„ „	10	„
40	„	50	„ „	12	„
50	„	60	„ „	14	„
60	„	70	„ „	16	„
70	„	80	„ „	18	„
80	„	90	„ „	20	„
90	„	100	„ „	22	„
100	per cent and over			25	„

The tax quickly proved a source of considerable revenue in towns where speculation in urban land is carried on to an excessive degree, and where, as a consequence, property frequently changes hands. The proceeds in some of the large towns of Germany in 1910 were as follows:—\*

	£		£
Berlin .. ..	61,600	Leipzig .. ..	47,300
Charlottenburg .. ..	29,000	Neukolhn .. ..	26,200
Chemnitz .. ..	21,200	Schöneberg .. ..	40,900
Cologne .. ..	11,500	Dortmund .. ..	18,600
Essen .. ..	46,900	Hanover .. ..	13,700
Frankfort-on-Main .. ..	18,800		

In that year, fifty-eight towns with a population exceeding 50,000 received £ 503,000 from this source.

Possibilities of  
in Increment  
Tax in Indian  
Municipalities.

With an Increment Tax suitably adjusted; with proper discrimination as between the several kinds of properties differentiated according to their respective uses and opportunities of making money; the Indian municipalities will easily find either a very considerable increase in their resources or a greater ability to make exemptions from taxation of particular classes of properties for special reasons of social importance; or reduce the rate of the tax, at the same time making the tax as a whole more equitable. At the present dead level of indiscriminating incidence, the tax may often be pleaded as a burden which might well act as a detriment to civic wealth, or which might diminish from the attractiveness of the city as a place for settlement to the business and industrial community. With the suggestions we have made, the tax-burden would

\* See W. H. Dawson, page 337-338.

be more equitably spread according to the ability of the various classes of citizens, and yet neither the attractiveness of the city as a place of settlement nor the resources of the city would suffer.

Finally, it may be added that the property taxes in India are taxes purely and exclusively on real estate, whether built upon or vacant. Personal property escapes altogether, at least as far as the municipal taxation is concerned. The latter is several times more valuable than the former in large centres of industry and commerce like Bombay, Calcutta or Rangoon; and if we take for the city of Bombay the total value of personal property, valued in the same manner as the landed property, i.e. by income, the total liable to taxation but not permitted to be taxed might be easily taken to be double the real estate valuation.\* The aggregate of the rateable value of all kinds of property in the city, real as well as personal, including in the latter merchandise and mortgages, stocks and shares and commercial as well as public securities of all kinds, and all other kinds of earning property only would be at least Rs. 30 crores in a city like Bombay; possibly very much more as shown in the foot-note below. If, now, the total tax on property of all kinds is uniformly imposed at 10%, instead of the present 11%, the income from this source of direct taxation alone will amount to Rs. 3 crores, or nearly all that the municipality of Bombay needs. With its commercial services and the income from its own properties and enterprise, the Bombay Municipal Corporation can easily afford to scale down the present property tax by one-half, without any fear of a loss in revenue or inadequacy of resources for its rather ambitious programme. For even at 6% on a total rateable value of 30 crores, the city will derive from property taxes alone an aggregate income of 180 lakhs: which, if the other suggestions made by us regarding discrimination and progressive rates were adopted, could be easily raised to 2 crores. There is, then, the income from water and halalkhore dues, which are really considered to be charges for services rendered, though seeming to be analogous to taxation, and aggregating 82 lakhs: besides the receipts from markets, rents of properties, license and other fees, which may collectively make

Indian Property Taxes do not include the Taxation of Personal Property.

\* The total income charged to the ordinary income tax, (i.e. without including the income coming under the Super Tax) in the whole of the Bombay Presidency in 1922-23 is given in the Income Tax Commissioner's report for the year at Rs. 45.05 crores. Bombay city alone paid Income Tax to the government of Rs. 3.45 crores, while the entire Presidency paid 4.51 crores. If we distribute the income taxed in the same proportion between the city and the presidency, the City Income paying the above-named tax would aggregate Rs. 34½ crores in round terms. But the Income tax exempts all incomes below Rs. 2,000 per annum from taxation, and by that provision, perhaps another 10 crores must be excluded from the Imperial Tax. In addition personal property which commonly does not come under the Income Tax laws, as not yielding a regular income to the owner, but which under the municipal taxation of such property may fairly be expected to be valued and taxed,—e.g. merchandise or ornaments, or furniture and fittings, must also be included. It is impossible to make even a guess of such property, especially if we include merchandise in a great trading centre like Bombay. It must run into several hundred crores, the rating or annual value of which might be taken at a modest estimate at 10 crores. This means an aggregate of personal property of nearly 50 crores in Bombay.



up the 3.20 crores that at present appears to be the regular income of the Bombay Municipal Corporation Taxes on Trades and Professions, which are a very roundabout form of direct taxation and Indirect Taxes like the Town Duties can then be easily sacrificed, and the burden of the citizens reduced in proportion. The License Duties may be kept up for purposes regulating particular trades, which it is deemed proper in the general interest to so regulate by means of licenses. There must be no intention to make any revenue out of this function of the municipality, at least as a primary consideration.

#### VI.—B. Indirect Taxation : Town Duties or Octroi.

Receipts from  
own Duties.

The Bombay Municipality collected some 33 lakhs from Town Duties on the articles enumerated; but out of these some 17 lakhs had to be refunded on export, so that the net revenue from this source was barely 16 lakhs, or about 5% of the total municipal income on a rough computation. The very fact that such a heavy refund has to be made ought to condemn these duties as uneconomical to collect. But there are other objections to these Octroi Duties or their modernised version of Town Duties, refundable or not. The following extract from a Resolution of the Government of India, of 1915, regarding Local Self-Government will serve to exhibit the real objections in principle as well as in practice to this form of indirect municipal taxation:—

General Policy  
re. Octroi

“The Octroi system in the existing circumstances of the country has certain obvious advantages. As a tax, octroi is productive and grows with the prosperity of the town. Its imposition is sanctioned by immemorial usage, and the people are habituated to the system by long custom. The tax is usually paid in small amounts, and the effect of the payment is not generally felt as a burden. On the other hand, there is no doubt that it provides constant opportunities for fraud, delay, and oppression, owing to the necessity of entrusting large discretionary powers to a subordinate agency; that it is expensive to collect, and wasteful; and, finally, that in many places it constitutes a serious burden on trade in general and on through trade in particular, notwithstanding the provision made for refunds. On the recommendation of a strong representative committee and the Local Government, the Government of India have sanctioned an experiment in the United Provinces, which involves (a) the substitution of direct taxation for octroi in smaller towns, and (b) the application to a large number of other towns, in which conditions are suitable, the system of a terminal tax, or light transit dues on imports or exports, subject to no refunds.... A reduction of the high cost of collection can only be secured, if the tax is collected through the agency of the railway companies.... The Government of India, while adhering to the principle that municipal taxation should not operate, so far as can be avoided, as a transit duty on through trade, are prepared to concede that a light terminal tax with no refunds may in practice prove less burdensome to through trade than the octroi system as hitherto administered, provided that the following conditions are observed,—viz. (1) that the Terminal Tax wherever imposed, should be substantially lower in its rates than the octroi which it replaces, (2) that it should be limited to places where there are special grounds for applying it, which must be adequately demonstrated, (3) that it should be regarded as

facilitating the transition to a system in which direct taxation will form an increasingly important factor, and not as an elastic means of progressively increasing the resources of municipalities apart from normal development due to increase of traffic, and (4) that it should not be adjusted with the primary object of compensating municipalities for the loss of Octroi."

We could not have exposed the objections to and the undesirable nature of this source of municipal revenue more thoroughly. We have already indicated the harm done to trade, and thereby to the general prosperity of a town by such duties, and we have now no hesitation in recommending a total abolition of the Octroi or the Town Duties, refundable or otherwise, with the least possible delay. The loss occasioned by the abolition of those duties can be, and should be, made up for by the extension of Municipal enterprise, or by the extension of property taxes so as to include personal property as well as the real estate now taxed in several municipalities. The loss to the Bombay City Municipality will, as we have already pointed out, be easily counterbalanced by other sources indicated in the appropriate place. And the same arguments or reasoning will apply to the case of the other presidency municipalities as well as the leading district towns where they have this form of indirect taxation.\*

Conclusion re  
such indirect  
Taxes.

\* The Bombay Municipal Corporation has recently resolved to move the Government for an amendment of the Municipal Act, permitting the Corporation to replace the present Town Duties by a non-refundable terminal tax on a large list of commodities, which is expected to bring in a larger net revenue aggregating roughly 30 lakhs. We are convinced the principle of this tax is thoroughly bad. The following summary of the debate in the corporation on the occasion of the final adoption of the tax recommendation would be instructive for the variety of motives and view points that seem to enter into such discussions.

The report of the Sources of Income Committee of the Bombay Municipal Corporation on the proposal to substitute a non-refundable terminal tax for the existing town duty came up for consideration at the adjourned meeting of the Corporation on Tuesday.

Mr. J. B. Baman-Behram moved that the report of the Committee be approved and adopted, and that the President be requested to approach Government with a request to amend the Municipal Act in order to give effect to the recommendations of the Committee.

Rao Bahadur A. K. Pai seconded the proposition. He said the liability of the Corporation would considerably increase owing to the introduction of compulsory primary education and it was but fair that they should find new sources of income.

Mr. Ishwardas Lukhmidas, subject to the following modifications in the rates of the tax on the articles mentioned: Coal: One anna per ton. Gunnies Ten annas per bale and two annas per package. Fuel Oil: Three annas per ton: Petrol Six annas per 100 gallons. Cement: Two annas per ton. Sugar: Nine pies per Bengal maund.

Mr. Mathuradas Tricamji moved an amendment: That the report be adopted subject to the following modification; that the rates mentioned in the schedule be maximum and that they should be levied in respect of the several articles mentioned in the schedule or of so many of them as the Corporation shall from year to year determine.

Mr. A. J. Raymond opposed both the proposition and the amendment. It was a fact, he said, that in 1922, the Chamber of Commerce had agreed to the principle of a non-refundable terminal tax, which it was proposed to substitute for the existing town duty, because the Chamber considered it less objectionable than a refundable town tax owing to the flagrant abuses which occurred from the latter. The Chamber had now changed its views and had reverted to the opinion it had held for half a century, mainly because trade in Bombay was so much less prosperous than in 1922; and the Chamber went so far as to argue that trade could not stand either a refundable town duty or a terminal tax, and that the Municipality ought to cut down its expenditure even to the extent of holding up the various development schemes. A non-refundable terminal tax was wrong in principle, as it affected upcountry buyers who derived little or no advantage from the municipal services of Bombay. To impose an increased charge upon the consumer would tend to reduce the off-take in one of the principal markets, and there could be but one result, that was a loss of

Prefer Direct  
to Indirect Tax-  
es.

For the sake of a proper appreciation of and interest in municipal self-government, as well as for their relatively greater economy, we would support in every case direct as distinguished from indirect taxation for municipal purposes. The tax on Trades and Professions is a direct tax, as also the Tax on Pilgrims imposed in Benares and in some places in the Bombay Presidency, which is a form of the Poll Tax: but these taxes are roundabout in their directness, if the statement is not a paradox; they are clumsy, and admit very little of being apportioned to the real ability of the taxpayer as the property or income taxes can be. Though this forms a very considerable item in the municipal budgets of Calcutta and Madras, we do not think that tax is one which these municipalities cannot replace advantageously by adding personal property to the real property in municipal limits for purposes of taxation.

Taxes on Animals and Vehicles are a form of Direct Tax.

Taxes on animals and vehicles are direct imposts. But essentially they are in the nature of license dues or luxury taxation, which may have their own justification; and, accordingly, we make no recommendation for their abolition; though we would suggest that a distinction be made between animals and vehicles used only for trade or industrial purposes, and those for personal use, whether

*(Continued from previous page.)*

trade to the city of Bombay, which would thus defeat the ends for which this terminal tax was attempted to be imposed. It was admitted that in recent years the trade of Bombay had suffered from competition from other ports, notably Karachi and Madras. It would therefore be dangerous to add yet another burden upon Bombay trade. It was of little use for the Government to reduce or abolish customs duties in the interests of trade, if municipalities were to be permitted to levy duties on goods passing through their limits. Then the Port Trust had a prior claim to the Municipality as regarded goods in transit being used as a source of revenue. The Government itself had in the past clearly defined its objection to this.

Mr. K. F. Nariman seconding the amendment said that although it did not meet with his entire approval, it went as far as it could. He did not want their hands to be tied down by anybody as to what tax should be levied by them on particular goods. The tax was going to affect the whole commercial class and they must, therefore, consider the matter carefully. His point was that there should be some discrimination used between indigenous and foreign articles.

The Municipal Commissioner said it was an admitted fact that it was uneconomical to collect town duty, and that it was a burden on trade. That being the position, nobody could find fault with them if they should levy from the existing trade a rate calculated to produce exactly what they got now and no more. Mr. Mathuradas's amendment was adopted. He thought it would take two years for the Bombay Government and the Government of India to agree to the principle of the terminal tax, and after that agreement had been obtained, it would take another two years to get the Act amended. Under the circumstances, nobody need be in fear of anything being done in a hurry. He assured the Corporation that the levying of this tax would not turn a single pound of trade from Bombay. As to the point raised by Mr. Nariman, the Commissioner said if the Corporation was the only body concerned which might ask for power to differentiate between goods produced in this country and the goods produced outside it, it was a different matter. But they would see that the Port Trust and the Imperial Government were intimately concerned with the matter. When the Imperial Government imposed taxation to the extent of some crores of rupees a year in order to subsidise local steel, they could understand that there was an agency which was capable and whose business it was, to discriminate between indigenous and foreign goods where such discrimination was necessary. That was not the function of the Corporation. Therefore the suggestion that their rates should in any way discriminate between indigenous and foreign goods was an impossibility, because the tax was designed to be an exceedingly light transit duty, and not customs duty. It was only by a customs duty that a country differentiated between indigenous and foreign goods.

for convenience or luxury ; and that the tax burden be differentiated and adjusted accordingly.

### VII. C. Service Dues.

The Water, Sewage or Halalkhore, and Lighting Rates are among the most prominent examples of purely service charges in the Indian municipal budgets. A specific charge for a definite service rendered has, indeed, its own justification : and if the charge is made strictly equivalent to the cost of rendering the service, the rates will be absolutely unobjectionable, at least from a strictly financial or economical point of view. There are, however, considerations of social utility and necessity which demand a reconsideration of these dues and their rates, so that the service offered in return for these charges may be as fully availed of by the citizens as possible. The Bombay Municipal Constitution prescribes, for example, as we have already seen, that the water-rate should be such as to make up for the cost of the water-supply. As, however, the water-supply sources of the city of Bombay have been constructed at a heavy outlay of borrowed monies, and as very substantial provision has to be made for Interest and Sinking Fund charges on account of the Water-Works Debt of the city, the charge for water supply tends to be very high. If, now, as the result of this high charge, the people of the city should be deterred from using water in sufficient quantities to guarantee a decent degree of personal cleanliness, it would be a distinct loss to the city ; and the case for a reduction in the water dues will become insistent. Under the prevailing practice in Bombay, the water charge is apportioned to the building, and is paid by the owner thereof : so that the poorer tenant does not perceive the burden, and therefore will not ordinarily speaking be deterred from a sufficient use of water for personal cleanliness. But in so far as house-rent in Bombay may be said to be high for reason of a heavy municipal taxation, including the water-rate, the deterrent to the poorer sections of the community as regards the use of water will be undeniable. Similarly, as regards the sewage or Halalkhore Tax. The benefit to the public health from a proper sewage collection and removal system is unquestionable : and the city authorities do well to make it compulsory for all new structures and buildings to include the most up-to-date sanitary facilities conformable to the drainage facilities of the city. But the special charge for the drainage connection may operate against the substitution of the modern for the more obsolete and inconvenient methods, e.g. the replacement of the water-carriage system for the old-type basket-privies of Bombay ; and in that case, the danger to the public health of the city becomes immense. We would certainly prefer, for these reasons, the American practice of including all these primary services in the general tax, which should be so framed, so assessed, that the expense on all the primary services would be easily defrayed from its proceeds. The case against a special charge for a definite service

becomes, of course, the most irresistible and unanswerable, when we think of the municipal duty of Public Instruction. If a special rate is levied or fees charged, of a surety the people would be deterred, especially in a poor country. But poor or rich, there is now complete agreement on this central question of municipal activities, the desirability of making such education as is offered to the citizens by the municipality to be completely free, the expenditure in connection with this department being invariably met out of the general municipal fund, or a special education fund created out of the proceeds of the general revenues of the city. Indian municipalities are anything but liberal in their provision of educational facilities for their citizens, and their children; but whenever they undertake the full measure of their duties in this department, they will have to accept the postulate that education, to be as extensively imparted as may be desirable, will have to be free, and may also have to be made compulsory. The need to secure the widest possible education of the cities justifies the admission of the principle of compulsion; and the principle of compulsion, once admitted, would demand the acceptance of the principle of freedom from special charges by way of fees, or even by way of a separate distinct rate for the purpose. The last is particularly worth reflecting on; since, in the days of fuller and fuller democracy, wherein the aspirants for popular favour would be always inclined to bid for a reduction of the tax burdens, danger is not inconsiderable that in their inconsiderate zeal for unseasonable economy, they might fall upon such rates as the education rate, and thereby endanger the very foundation of the system of municipal education if it is made dependent upon any special source of revenue to the city.

Secondary Services may be specially charged for, but not beyond the cost of the service.

Where services rendered by the municipality are not primary services of immediate effect upon the health or intellect of the citizens; and where these services are rather in the nature of conveniences, the charge specially made for rendering each particular service may be justified, always provided that the charge is so framed as not to exceed the total cost of rendering the service. Lighting dues may be quoted as an example in point. The Tramway and Railway fares for intra-urban transportation may be cited as another instance, though in this case, the social consideration of bringing about a measure of decongestion in overcrowded cities often goes to make the rating for the tramway service, when operated directly by the city, be governed by reasons not exclusively of an economic complexion. We shall examine more fully the problem of rating in connection with the municipal trading enterprises. Here we need simply observe that even in the trading ventures of municipal authority, there is present, more often than not, a consideration, other than the desire for commercial profit; and that in response to this consideration rate-making has to be determined so as to make the community avail itself of the service to its utmost possibility, and not so as to produce for the monopolist the utmost profit from the vend of these services.

## VIII.—Taxation of Public Service Corporations.

In this connection, we may point out that the taxation of public service corporations like the City Tramway Company, or Gas Company, or Electric Company is practically unknown and untried in Indian municipalities, though these private, profit-making associations are perhaps nowhere so flourishing as in this country. A Tax on their turnover or profits or any other basis correlated with the tribute exacted by such corporations from the citizens would very probably yield, in cities like Bombay, Calcutta or Rangoon, substantial sums in aid of municipal finance, which will in no way affect the prosperity of the city, its trade or industry, nor entrench upon the inability of the city population to bear those tax-burdens. The tax will fall on shoulders well able to bear the burden; and there would be the added justification that the municipality is taking back, by means of such taxes, only a part of what is its due.\* In America, the special taxation of all public service corporations, like railroads, tramways, telegraph and telephone companies, water, gas, and electric corporations is very extensively practised for the benefit of the state as well as the city governments in the United States; and though the basic principle of federal finance demands that all utilities of an interstate character shall not be taxed except by and for the federal government, the principle is equally well established that the property or earnings of each such interstate utility, like a railroad situated within the taxing state, is perfectly within the taxing capacity of that state. In view of the difficulty created by these somewhat conflicting principles they have found it "necessary to employ some method of centralised assessment, with a later distribution of the tax proceeds among the municipalities concerned."†

Of the various bases for assessing such taxation—the valuation of the real estate the capital stock, the mileage or output or turnover as the case may be, the net earnings, the gross earnings and miscellaneous burdens in the nature of servi-

Tax on Public  
Service corporations  
recommended.

\* Such taxes are usually levied on the gross earnings, as being the safest basis for taxation, apart from the physical valuation of the properties belonging to such corporations. The gross earnings, from all sources, of the Bombay Tramway and Electric Supply Company were in 1924, 143 lakhs; their total assets and property were valued for the same period, at Rs. 683 lakhs; their turnover represented 101.3 million passengers carried; their track mileage is 26.8 miles, and miles run in the year were 6,175,320. If the Company is taxed at 2½% on gross earnings; or ¼% on its total assets, the tax would aggregate 3½ lakhs roughly per annum. Similar taxation of insurance companies, which generally escape all property taxation, as they need no extensive plant or buildings to carry on their operations, Railway Companies and Telephone or Gas and Electric Companies, may in the aggregate, bring in enough net revenue to indemnify the municipalities for the sacrifice of their indirect taxation. Bombay may easily expect to get 20-25 lakhs per annum from such a source, including 1% on all premia paid to Indian Insurance Companies, and 1½% on all non-Indian Companies, as also on Indian and non-Indian banks, Railway Companies &c. The fact that the Tramway Company is charged a ground rent is entirely immaterial to the suggestion here made.

In America, they charge for municipal purposes between 1 to 3% on the gross premia received by insurance companies, discriminating between local and foreign companies operating in a state. cf. Jensen Op. Cit. p. 335.

It might be interesting to point out that in Wilkesbarre, Pa. U.S.A., the tax on the street railway company is per car, 50 cents per pole, and 100 per mile of wire each year.

† Munro Op. Cit. P. 432.

ces in kind,—American experience goes to make the Real Estate valuation of these Corporations, and their gross earnings, the most advisable. Says Prof. Plehn of the Gross earnings basis :

“ In short, it is safe, certain, non-avoidable, inexpensive in operation adequate, if the rate be high enough, and as equitable as, if not more equitable than, any other tax applicable to public service corporations.”\*

No great danger of the tax being shifted on to the consumer.

The essential equity of the tax on public utility corporations is sometimes challenged on the ground that these corporations, if taxed, will pass on their burdens to the consumer, and so prevent the full utilisation of the service they offer. The danger is there no doubt ; but if the rate-making reserve of power in the municipality has been exercised wisely *ab initio*, the fears would prove groundless of the tax-burdens being shifted on by the taxed corporation to its customers. An experienced American authority on the subject concludes his elaborate study of corporation taxes of this kind as follows :—

“ Nevertheless there is little point to the suggestion to remit public utility taxes, simply because they are passed on the consumer. Other business concerns may be shifting in some degree the taxes levied on business property, but this fact is not regarded as sufficient reason for the exemption of such property. To the extent that taxes on public utilities are shifted, the cost of local government is borne by those who patronise these utilities. The exemption of these companies and the corresponding reduction of charges would mean heavier taxation of the remaining property for the benefit of those who made greatest use of the given service while paying least in general taxes. On the other hand, excessive taxation of the utilities would mean the imposition of an additional penalty on the users of a given commodity or service to the benefit of the tax-payers at large. There is nothing in the situation which will justify conferring either benefits or penalties of this sort. The proper arrangement is, therefore, one which will secure the closest and most accurate adjustment of the tax burden borne by the public utilities to that which is imposed on other classes of tax-payers”†

Indian municipalities, where private corporations still reign supreme in the domain of supplying public utility services, have an almost virgin field for taxing and adding to their revenue resources from this channel. As to how much precisely can be obtained by the leading municipalities of Bombay or Calcutta from this taxation, it is a little difficult to say in the absence of adequate statistics relative to such corporations, and others of an analogous description. But the calculation made in the foot-note indicates quite considerable accretions to the city revenues from this source, if only the powers of the municipal taxing authority are not needlessly curtailed by a restrictive interpretation of the constituent acts.

\* C.C. Plehn : *Taxation of Public Service Corporations* quoted in Munro Op. Cit. p. 434.

† Lutz : *Public Finance*, p. 395-6.

### IX.—D. Receipts from Municipal Property and Enterprise.

These we consider to be the real mainstay of municipal finance, and must eventually be so developed as to take the place entirely of all modern tax-receipts. All taxes are necessarily a deduction from private wealth. The citizen paying the taxes is unavoidably left the poorer for such payments, and they consequently impose a premium on dishonesty and tax-evasion. Receipts from municipal enterprise and property, on the other hand, will make no such deduction; and, as the charges for municipal services and commodities will be framed so as to stimulate the utmost possible use of these services and commodities, they will be substantially lower, in all probability than what they would have been under private profit-seeking regime, thereby actually benefitting and enriching the consumer. Such receipts should be encouraged by every possible device at the disposal of the municipal authority. The interest in civic affairs will also deepen according as the functions of the municipalities are widened to include such vital concerns as would embrace the daily needs of the citizens. At present, the income from this source of the Indian municipalities is negligible in proportion to its possibilities.

Income from municipal enterprise in Indian cities negligible.

### X.—Incidence of Municipal Taxation.

The annual Administration Report of the Bombay Municipality for 1923-24 (para 8 of the Chief Accountant's Report) gives the incidence of taxation as under:—

Year	Incidence	This is on the basis of population as given
1918-19	Rs. 15 14 2	in the census of 1911 for the years before
1919-20	„ 16 9 2	1921, and on that of the census for 1921
1920-21	„ 14 10 6	for the subsequent years. On the estimated
1921-22	„ 16 15 3	basis of population in 1921, (on 31st March)
1922-23	„ 20 2 4	the incidence is estimated to be 20-5-0.
1923-24	„ 21 1 2	The incidence, however, is calculated on
the tax income of the municipalities, properly so-called, and makes no allowance for license fees and property receipts in this calculation. The process is not unfair; but the real burden on the citizen per head will not be correctly understood from such figures by themselves. The citizens of Bombay have, besides the municipal taxes, to bear heavy taxation of the Imperial and Provincial Government, not to mention the burden on their trade and industry imposed by such local bodies as the Port Trust or the City Improvement Trust. Together, these local bodies account for a total revenue of Rs. 6 crores per annum, which would work out at very nearly Rs. 50 per head of taxation. The Imperial taxes paid from or by the city of Bombay, in Income Tax, Customs, Salt, Cotton Excise Duty, would aggregate another 10 crores, of which Income and Super-Taxes		

Incidence of Municipal Taxation in Bombay.



account for more than one-half.\* The Stamp duties and Registration Fees of the Provincial Government and their Excise Tax collected from the city of Bombay aggregate another 2.5 crores, or a total tax burden on the citizens of Bombay of close upon 150 rupees per head per annum. Of course, these taxes are distributed so as not to fall quite equally and evenly on every citizen alike, irrespective of his ability to bear the burden. But the average per capita burden of Rs. 150 per annum on a people where four-fifths of the population has an income, per adult wage earner, of Rs. 55 or less per month; with 3 dependents to support out of this income in addition to the maintenance of the wage-earner himself, gives food for the most serious reflection. Even if we set aside the burden of the Income and Super Taxes as really not falling on the working classes, as well as that on the trade represented by the Port Trust dues; and make a proportionate allowance in the customs, excise and stamp duties as not falling really upon the working classes proper in the city of Bombay, the net real burden of taxation of all kinds in the city population must be averaging nothing less than Rs. 75 per head per annum; or, taking an average family of 4 persons in the working classes, Rs. 300 per family, with an income of little more than 500-700 per annum. The figures speak for themselves.

In Calcutta.

In Calcutta, the total tax receipts of the municipality in 1922-23 was Rs. 133.43 lakhs, including fees. On a population of 13.27 lakhs according to the census of 1921, this works out roughly at an incidence per head of population of Rs. 10 per annum. Adding the Calcutta share of the Imperial and Provincial revenues in the same manner as applied to the calculation in Bombay, we find the Calcutta incidence on the total of all tax-burdens to be much under 50 rupees per head.

In Rangoon.

In Rangoon, the incidence of taxation proper, and of the total municipal revenue is summed up in the following table—

Year	Incidence of taxation	Incidence of Revenue	
1921-22	Rs. 12 0 3	Rs. 17 9 11	This is higher than Calcutta and Madras but lower than Bombay
1922-23	„ 13 13 11	„ 18 11 7	by 50%. The total burden of
1923-24	„ 14 7 8	„ 20 9 6	all taxes on the Rangoon population is difficult to calculate; but following the reasoning given above, we think Rs. 60 per head per annum even on the poorest classes will not be an excessive estimate.

\* To give exact figures as far as available, on account of Income and Super Tax Rs. 5,97,75,482

Excise	.. ..	1,36,37,385
Stamps (1923-24)	.. ..	94,90,425
Registration	.. ..	2,88,392

8,31,91,664

Bombay city paid, in 1922-23 The total salt revenue in the Presidency, excluding Sind, was Rs. 2,16,40,558 in 1923-24, of which the share of the city may well be taken at 50 lakhs. The cotton excise from the city is about 1½ crores, and customs probably 3 crores.

In Madras, according to the Municipal Administration Report for 1923-24, "the incidence of taxation per head of population under all taxes inclusive of tolls was Rs. 7-9-2 against Rs. 7-10-6 in the preceding year. Excluding tolls, the incidence was Rs. 7-7-4 against Rs. 7-8-4 in the preceding year." (Para 16) Madras is the poorest among the Presidency cities, and its total tax burden, including both Imperial and Provincial taxation falling on the city population cannot be much above 25 rupees per head per annum.

In Madras.

# XI.—Some Comparative Statistics of the Incidence of Municipal Taxation in Britain and Germany.

In Britain and Germany:

* Towns.	Total taxation per head		† Town.	Popula- tion		Rates per head of pop.			
						Estimated 1923-24		Year 1923-24	
	s.	d.		Midsum'r 1922	£	Midsum'r 1922	£ s. d.	s.	d.
Aix-la-Chapelle ..	41	3							
Berlin ..	41	10							
Breslau ..	38	7	Belfast ..	425,000	1,799,105	1 17	3 9	8	
Charlottenburg ..	54	4	Birmingham ..	945,100	5,545,286	4 2	8 16	0	
Cologne ..	42	8	Bradford ..	291,300	2,281,592	5 18	10 16	0	
Crefeld ..	36	10	Bristol ..	383,900	2,054,349	3 18	9 15	7	
Danzig ..	31	5	Cardiff ..	223,830	1,603,050	3 19	8 12	6	
Düsseldorf ..	40	6	Hull ..	294,000	1,578,340	3 15	10 14	3½	
Essen ..	44	4	Leicester ..	238,800	1,388,890	3 4	0 12	3	
Frankfort-on-Main ..	59	6	Liverpool ..	817,000	6,574,173	4 12	1 13	4	
Hanover ..	34	0	Manchester ..	748,500	6,552,347	5 0	8 12	3	
Königsberg ..	38	1	Newcastle-upon-Tyne ..	281,600	1,964,534	4 6	4 13	6	
Stettin ..	34	7	Nottingham ..	267,900	1,605,195	4 1	4 15	0	
Wiesbaden ..	49	5	Plymouth ..	211,500	1,127,109	2 11	10 13	3½	
Munich ..	39	11	Portsmouth ..	236,630	1,222,923	2 15	2 11	4	
Nuremberg ..	29	4	Salford ..	240,700	1,345,433	3 19	10 15	3	
Chemnitz ..	32	4	Sheffield ..	522,600	2,453,664	3 18	8 18	0	
Dresden ..	32	11	Stoke-on-Trent ..	274,300	1,035,441	2 18	6 17	8	
Stuttgart ..	44	10	West Ham ..	310,200	1,393,682	4 18	11 23	5	
Hidelberg ..	37	1	Battersea ..	169,200	1,033,153	3 15	10 12	8	
Mannheim ..	43	0	Bermondsey ..	121,100	1,010,535	..	..	18	6
			Camberwell ..	270,300	1,400,845	2 17	10 11	6	
			Deptford ..	114,100	643,958	4 3	11 15	5	
			Fulham ..	159,900	982,300	3 6	1 11	0	
			Greenwich ..	102,000	767,853	4 11	5 13	0½	
			Hackney ..	224,200	1,270,328	3 6	7 11	11	
			Hammersmith ..	134,400	954,338	3 18	8 11	10	
			Islington ..	300,000	1,913,642	3 15	8 12	1	
			Kensington ..	179,100	2,596,520	7 18	9 11	5	
			Lambeth ..	307,000	2,003,511	3 9	3 10	10	
			Lewisham ..	176,600	1,164,435	3 15	3 12	2	
			Paddington ..	145,300	1,560,756	5 13	2 11	2	
			Poplar ..	165,700	932,204	6 5	1 23	0	
			St. Marylebone ..	105,200	2,462,877	12 18	2 11	5½	
			St. Pancras ..	212,500	1,817,133	4 14	9 11	8	
			Shoreditch ..	105,800	861,040	5 1	4 12	10	
			Southwark ..	187,220	1,250,998	3 17	5 11	10½	
			Stepney ..	252,170	1,644,376	5 0	4 15	6½	
			Wandsworth ..	337,302	2,306,716	..	..	10	9
			Westminster ..	141,800	8,278,369	27 17	11 10	2	
			Woolwich ..	142,350	9,954,085	4 10	1 13	9½	

\* Cf. W. H. Dawson, pp. 359-60.

† Cf. The Municipal Year Book 1924, pages 677-80.

The comparison would be still more interesting and instructive if we point out that the total rateable value of Property assessed to rates in the United Kingdom was in 1923-24.\*

£ 78,469,719 for	County Boroughs
„ 17,431,909 „	non-county „
„ 10,850,499 „	Urban District Councils
and „ 42,618,852 „	Metropolitan boroughs.

## XII.—Some Suggestions for Tax Reform in Indian Municipalities.

Suggestions for  
Tax Reform.

The foregoing review of the tax-incomes of the Indian municipalities must have shown the reader what we consider to be the defects, both in principle and in detail, of the municipal tax-systems in this country. Suggestions for reform have also been indicated incidentally or in the course of the discussion; but for the sake of convenience, we would summarise those suggestions in one place here.

(1) Simplifica-  
tion of system  
of taxation.

The most important and urgent reform needed in the tax-systems of Indian municipalities is a degree of simplification that is at present conspicuous by its absence. We are aware that the tax resources of the Indian municipalities are by no means excessive; but even in the restricted field of taxation open to these bodies, they can easily and materially benefit both themselves and their citizens, if they would undertake the simplification of their systems of taxation, including the methods of assessment, collection, and refunds or rebates where necessary. We are not very much in favour of a dead monotony of unrelieved uniformity in the several taxes tried by the municipalities; but while we would not object to variety in taxable sources, varying according to the particular conditions of each city, we must emphasise the unquestionable economy of a few, easily collectable and definitely familiar or understood taxes as contrasted with a large number of confusing and bewildering resources. To this end, we would recommend as few taxes as possible, provided of course they are standardised, and are, between them, sufficient to meet the liabilities of the municipality concerned. In general, we would prefer direct taxes like those on lands and buildings or property in general, to indirect taxes, like the Town Duties or Octroi. The latter

(2) Abolition  
of indirect  
Taxes.

we would abolish at the earliest opportunity, and would suggest that the deficit caused by their wholesale abolition should be made good out of the taxation of personal and intangible property which, at present, does not contribute its fair

(3) Taxation  
of Real and Per-  
sonal Property  
of Trades and  
Professions.

share of the municipal burdens. Real and personal property taxes, charged at a uniform, consolidated rate, may, if necessary, be supplemented by taxation of trades and professions, or even by adding a percentage to the Imperial Income Tax for the benefit of the municipal treasury. Taxes on carriages and animals must be considered rather in the nature of Fees for administrative func-

\* These figures have been compiled from the Municipal Year Book (1924) Donald p. 673.

tions indispensably performed by the municipality than in the nature of taxation strictly so called. So also with regard to other fees for similar administrative activities. Service dues for specific benefits conferred on the citizens are not intolerable; but the caution cannot be omitted that in so far as such rates or charges tend to curtail the use of the services,—and in so far as such services are of vital importance to the health and intelligence of the citizens, they had best be replaced by or merged in the general property taxation. Receipts from municipal property and the income or profits from the trading enterprises conducted by the municipality are, of course, the best substitutes for taxation, which at best cannot but make a deduction from the wealth of the citizens, while the trading profits and property receipts of the municipalities would, if anything, enrich the city as well as the citizens.

(4) Income from Municipal Enterprise.

We are fully aware that the basis of property is by no means utterly free from objection.\* But in the conditions of India, there seems to be no other and more acceptable alternative; for the Central Government will not forego its exclusive right to tax the income of the people, at least in favour of the municipalities; and it is doubtful if they would consent to share a part of this income with the municipalities. On the other hand, the root defect in the general property tax apprehended by some writers,—viz. the pressure of taxation irrespective of the earning capacity of the property—may be avoided by correlating the tax to the earning capacity. The suggestion that the tax on property should be imposed according to its sale value, instead of its rental or annual value, relates chiefly to the Real property, which, in the more backward municipalities, as well as in the aggregate, is bound to be more considerable than personal property. It has been made from the standpoint of deriving for the municipality the utmost possible revenue in the easiest possible manner; and as the sale value will in reality be determined by the earning capacity of the property, we do not think there can be any objection to the suggestion. But the taxation of property on any basis would be objectionable in practice, if the valuation is made on obsolete unscientific principles; and hence we would place in the forefront of our suggestions for reform the recasting of the prevailing methods of assessment, with a view to place them on a more scientific basis. Proper, scientific valuation of real estate is by no means so very difficult, and objective

Need of scientific assessment of property as basis of taxation.

\* For an expose of the general weakness, scientifically considered, of the property taxes, see Lutz: *Public Finance* pp. 322 et seq. He considers the theory underlying the General Property Taxes to be contained in the two propositions:—

“Every citizen should contribute to the support of government in proportion to his ability.

Property in general, or viewed as a homogeneous mass, is a universally adequate measure of ability to pay taxes.”

He considers the second proposition, though generally adopted, to be not strictly valid. The real crux is to be found in the inability to earn any income in several forms of property, which consequently makes them unsuitable or inequitable as a basis for a just and proper distribution of the tax-burdens. Ability is really or correctly measured only by income or earning capacity.

tests or checks for testing the accuracy of a given valuation can be readily found and easily tabulated for the guidance of the assessing staff. The case of the intangible personal property stands on a different footing, and we realise that the provision of definite tests for bringing about an accurate, scientific valuation and assessment will be far more difficult to establish in that connection. Finally, in all cases of taxation of property on the assessment by annual or rateable value, the revision of assessment will have to be frequent.

Taxation of  
Public Service  
corporations to  
meet deficits.

The deficit in municipal expenditure likely to be caused by the extension of the municipal functions as suggested in Book II. must be met from an expansion in the trading and profit-earning ventures of the municipality. In so far as a municipality may not feel itself prepared or equipped for such ventures on a large scale, the deficit, we would suggest, should be made good by taxation of the Public Service Corporations, the justice of which burdens cannot, in our opinion, be questioned by anybody. The total income derivable from that source is exceedingly difficult to estimate with any approach to accuracy; but, judging from the estimateable position in cities like Bombay, there is reason to conclude that such revenues might more than suffice to make good the deficit caused by the sacrifice of the indirect and oppressive taxes.

The system of municipal taxation, thus simplified, would include taxes on property of all kinds, on trades and professions, and particularly on Public Utility Corporations, Administrative Fees, Property Receipts and Trading Profits.

Revenue Schedule of Bombay

It may be interesting to point out how the revenue schedule of a municipality like Bombay would stand, if the suggestions made above were all adopted. Assuming that the standard revenue needs of the city of Bombay, on its existing basis of functions, aggregate Rs. 3.25 crores; and that, with an adequate allowance for a reasonable expansion of these functions an increase in revenue resources would be necessary equal to Rs. 25 lakhs per annum, the following revenue schedule will, in our opinion, meet the requirements, and yet have a more equitable, economical distribution of the tax burdens than is the case to-day:—

Consolidated  
Property Tax in  
Bombay: Estimated  
Yield.

Property Taxes, including personal as well as real property, with a total valuation (sale value basis) of Rs. 30 crores at 8% flat rate, (though in practice differentiation should and will be made according to the use and earning capacity of the property as embodied in the sale value basis) will amount to Rs. 240 lakhs. The 8% will represent a consolidated rate, including service dues. If all property including Government and Railways is charged at the uniform rate this may amount to 250 lakhs. There will also be a natural annual increment of about 25 Lakhs.

Estimated  
yield of Taxes  
on public service  
corporation.

Taxes on the Public Service Corporations' gross earnings, including the Tramways and the Gas Companies, the Insurance and Banking Companies, Shipping and other transportation enterprise, with a discrimination in the rate of taxation against the non-Indian proprietorship of such Companies: would amount to Rs. 25 lakhs.

**Special Betterment Taxes on properties benefited by municipal activities**  
Rs. 20 lakhs.

Administrative Fees, including license dues from certain dangerous occupations, as well as the present Wheel Tax, Road Tolls &c. Rs. 15 lakhs <sup>License Dues and other Taxes.</sup> allowing for the probable expansion of this source due to an extension of the administrative and regulative activities of the municipality.

Receipts from Municipal Properties, including building rents, market and slaughter-house receipts, interests on sinking funds and other investments, and other income of analogous character.....Rs. 25 lakhs

Trading Enterprises and miscellaneous dues (e.g. an Advertisement and an Amusements Tax).....The balance needed for expanding functions

This makes a total receipt for the Bombay Municipality of Rs.  $240 + 25 + 15 + 25 = 305$  lakhs, in addition to an indefinite amount from the Municipal trading ventures which is to be devoted to further expansion of Municipal functions and services. If we assume the municipalised Services of Insurance, Banking, and transportation to result in a net collective profit of Rs. 3 crores, the figure would easily cover the amount now spent by the Port Trust and the City Improvement Trust, leaving *their* present revenues either as a net relief and saving to the city's tax burden, or as a margin for further expansion of the trading ventures of the municipality.

We have not allowed here for Government subventions and contributions from other public or semi-public corporations, as the margin created by that source <sup>Government subventions not included.</sup> may be used for an extension of those functions, which, however likely to be profitable eventually, may in the initial years cause a loss; and which loss might possibly deter the municipality from making the extension of functions desirable on all other grounds.

### XIII.—Incidence of Municipal Revenues.

As regards the incidence of this revenue burden, it would be unfair to divide the total municipal income by the total municipal population. As a matter of fact, the tax burden will be so apportioned. that the poorest classes will be paying only the property taxes, or rather the real estate share of these property taxes, in so far as the owners of rented houses are able to shift their burden to the tenants. The municipality may, indeed, make a far more vigorous campaign than hitherto for the erection of dwellings more suitable to the earning capacity of the poorer wage earning classes, and at the same time more conformable to the accepted modern idea about the minimum of comfort and convenience available in human dwellings. In that event the working class section, housed in municipally owned or subsidised houses, will probably escape the full burden of this property tax as well. And as for the personal property taxes, minimum amount of personal property, including such items as wearing apparel, cooking utensils, indispensable furniture &c. of a fixed sum, will be

exempted from the tax-burden; so that the poorest section will escape this addition to the tax-burden as well. The other taxes will be borne by shoulders well able to support the burden; and if any of them are shifted on to the poorer class, e.g. the charges for the public service utilities subjected to special municipal taxation being made the excuse of an increase in the price of the service or commodity supplied, the municipal authority might be relied on to induce or compel the taxed corporations so to revise their tariffs as not to burden unduly the poorer section of the community. Altogether, then, if we assume that  $\frac{4}{5}$ ths of the population of Bombay is wage-earning class, with an average income of about 500/750 rupees per annum per adult wage-earner, the immediate tax-burden from municipal taxation in this class would be about 64 lakhs (i.e.  $\frac{4}{5}$ ths of the real estate tax which is assumed to be  $\frac{1}{3}$ rd of the personal property), or about  $6\frac{1}{2}$  rupees per head per annum. The middle class represented by per capita earner's income of Rs. 2,500-5,000 will bear about 1 crore worth of the tax-burden, including both personal and real property taxes, a share of the administrative fees and trading profits, as well as a part of the public utilities corporation's special taxation. As the middle class so formed represents about  $1\frac{1}{2}$  lakhs of the total population of Bombay, the per capita burden per annum may be estimated on this class to be about 65 rupees. The remaining one lakh may be represented as the richest section of the community, including the large corporations of all descriptions. These will bear, under our supposition, the remaining 165 lakhs of the municipal revenue burden, or a capita charge of 165 rupees per annum. This seems to be far more equitable than a tax-adjustment which would burden the poorest sections of the community almost as heavily as the richest, if the latter do not escape altogether, (e.g. by a much lower valuation of their house property used for personal enjoyments) Of course these figures are mere estimates and rather rough estimates at that; but they serve to give a general idea of how most beneficently and equitably to distribute the tax burdens of a municipality.

## CHAPTER VII.

### MUNICIPAL DOMAIN AND ENTERPRISE. PROPERTY RECEIPTS AND TRADING PROFITS.

#### I.—The Extent of Municipal Domain and Enterprise.

Taking next the Municipal Domain and municipal trading enterprise of all kinds, we must note that the profits or income from this source are by no means very considerable in this country. The foot-note, below, gives an indication of the extent to which the principle of municipal enterprise is being adopted in Western cities to an ever increasing extent, and the net profits from which, measured in money, are a steadily increasing quantity.

Municipal  
domain in India

For the United States, the following summary compiled from Lutz: *Public Finance* chapter on Municipal Ownership, gives the latest available information. The most important instances of profit-making municipal ventures in America, as elsewhere, are:—Water-Supply works, Gas and the Electric plants, and street railways.

As regards Water—supply, 3,045 towns out of a total of 4,872 towns in the United States had municipally owned water-works in 1915, as against, 1,787 public water works at the commencement of the century. The financial results are summarised in the following table:—

Year	(All cities of 30,000 population and over)		Figures are in thousands.			N. B.—The profit of 48 million Dollars on a total capital outlay of 600 million dollars means a net return of 8% per annum.
	Receipts	Expenditure	Net revenue (apparent)	Outstanding debt year's end	Capital outlay during year	
	\$	\$	\$	\$	\$	
1911	67,774	27,750	40,024	451,543	71,132	
1915	77,465	33,057	44,407	541,299	50,481	
1919	95,394	46,582	48,721	599,512	43,280	
1921	92,379	50,938	41,441	No Information for 1921.		

The next table shows, similarly, the financial position of the municipally owned light and power plants in the same cities:—

Year	Receipts	Expenditure	Net revenue	Outstanding debt	Capital outlay	N. B.—The return in this case amounts to 12½%. Only four cities San Francisco, Seattle, Tacoma and Detroit had street railways of their own; and neither the experience of these cities is long enough, nor the ventures considerable enough, to justify a judgment on their basis. Suffice it to note that Seattle made a profit for the first time in 1921 of \$226,588 after two years of losses. San Francisco made a profit in 1922 of \$100,000. From the beginning to 1921 Tacoma was making a fluctuating loss. Detroit alone shows a considerable profit of \$1,030,000 in the first 11½ months of the street-railway working.
1911	3,571	1,820	1,751	10,101	3,060	
1915	5,185	2,719	2,466	20,852	4,171	
1919	10,447	6,830	3,617	26,700	5,922	

The German position is indicated by the following statistics culled from Dawson Op. Cit. p. 186 and Douglas Knoop:—*Principles and Methods of Municipal Trading.*

Towns with a population of		Total No. of towns.	No. of these towns which owned—				
			Water works	Gas works	Electricity.	Tram-ways.	Abattoirs.
Under	2,000	615	206	19	22	..	56
2,000 to	5,000	873	404	180	154	..	223
5,000 to	20,000	602	426	333	112	17	252
20,000 to	50,000	134	123	112	62	27	101
50,000 to	100,000	44	41	32	30	17	43
over	100,000	41	38	33	33	18	39
Totals.		2,309	1,238	709	413	79	814



Municipalised  
Enterprise most  
extensive in  
Germany.

Germany, and particularly Prussia, is in this respect the most advanced country for the municipal ownership and management of all industries ministering to the necessities, comforts, or luxuries of the citizens. The local units are in that country definitely and consciously encouraged to develop their trading enterprise and property; and though such enterprise may have been initially undertaken rather with a view to render service more efficiently to the civic population than with an eye to pecuniary profit to the municipality, the latter consideration has never been overlooked by the German municipality. Strange as it may sound, they have also not neglected the former and socially the more important consideration. The following list of enterprises conducted municipally in 1279 of the Prussian towns will be illuminating as to the extent and variety of municipal enterprise in a really communalised and progressive country:—

561 Water Works	440 Gas Works	201 Electricity works	54 Tramways
426 Abattoirs & stockyards	370 bathing establishments	104 Inns & Restaurants	19 Docks
38 Market Halls	13 Sea & therapic Baths	10 Warehouses & Sale Halls	17 Breweries
42 Quarries	45 Brickworks	15 Hydropathic establishments.	23 Mills
17 Dancing Halls	16 Ferries	5 Salt & Mineral Springs	4 Factories
2 Fruit Preserving Factories	2 Wine Cellars	2 Refrigerators	2 Mines
2 Bakeries	2 Lock Smitheries	2 Rope-walks	2 Dairies
2 Fisheries	1 Milk Cure	1 Wine business	
1 Timber-ware-house	1 Livery Station*		

This list is not exhaustive, as it does not include the Theatres and Dancing halls, burial facilities including funeral service, banks, and pawnshops &c. &c. But such as it is, it shows the most formidable list, and the total income of large towns derived from such enterprise becomes very substantial as shown below.†

Town	Population	Electric Works £	Water-works £	Tramways £	Gas Receipts £	Total Receipts £
Berlin .. ..	2071,300	314,180*	141,020	208,570*	387,980	1,049,750
Breslau .. ..	512,100	82,100	52,840	28,380*	131,810	372,930
Charlottenburg .. ..	306,000	84,590	....	7,020*	129,240	200,850
Cologne .. ..	518,500	54,990	58,770	58,480	85,720	235,970
Dresden .. ..	548,300	80,050	9,130	54,380	156,440	289,960
Düsseldorf .. ..	358,700	38,870	39,870	4,430	58,630	141,800
Frankfort-on-Main ..	414,800	145,080	34,180	73,710	32,290*	285,260
Hamburg .. ..	931,000	....	....	91,690*	239,820	331,510
Leipzig .. ..	589,900	45,400	31,550	19,810*	32,880	129,640
Munich .. ..	598,500	87,550	8,460	77,810	69,200	220,020
Nuremberg .. ..	333,200	30,470	6,000	11,740	75,190	123,400
Stuttgart .. ..	286,200	36,580	32,000	5,630*	56,140	130,350†

N.B.—Items marked\* are Royalties from Companies given concession to work these undertakings.

In Britain, the most important of the Municipal Enterprises are the Tramways, Water, Gas, and Electricity Works, Burial Grounds and Bathing establishments. The following statistics, compiled from Donald's Municipal Year Book for Great Britain, 1924, gives the latest information in a comprehensive form about the Capital investments, Interest and other charges for Debt, Receipts and Expenditure for operation, and the surplus of profit and loss combined, for the first four enterprises mentioned above.

The British Example.

Name of Service.	No. of Towns	Capital Outlay £	Total Receipts. £	Working Expenses Excluding capital charges £	Interest Special Charges £	Surplus or Deficit. £
(1) Electricity supply ..	215	100,870,395	22,112,388	11,554,844	3,873,548	3,373,372
(2) Water Supply ..	307	43,911,150	7,013,405	3,507,869	....	53,238
(3) Tramways ..	90	61,511,750	25,149,902	17,542,779	1,963,912	2,939,138
(4) Gas Supply ..	166	22,802,097	18,215,898	14,118,829	....	1,691,039
Total .. ..	..	229,095,390	72,491,593	46,742,031	x x x	7,950,304

## II.—Two Kinds of Municipal Domain.

As indicated above, Municipal Domain may be divided into two parts. The first consists of the landed estate, comprising lands and buildings of all kinds owned by the municipality within or without the municipal limits, and yielding an income in the shape of rent for the same. In theory, at least, the streets with all their muniments and furnishings, superficial as well as subterranean, ought to be considered to be the property of the municipality; though, in fact, owing to the concessions made to the public utility companies, the pipes &c. laid under the surface by such corporations, as well as the fittings like lamp-posts on the surface of the street, are taken to be the property of such corporations. In areas, however, developed directly by municipal agency, or in those vested definitely by the constitution in the municipality, all such areas would be the property of the municipality. But all this description of the municipal real

Landed Estate of Municipalities.

estate applies to what is situate within the municipal boundaries. There are municipalities in the world which own extensive landed estate outside the city limits; a good many German towns are definitely committed to purchasing forest land outside the city limits for purposes of recreation to their population primarily, and perhaps occasionally and incidentally for revenue as well. At least two towns in Germany own mines, and a good many more own mineral springs, which they utilise as health resorts, and so gain from that source considerable revenue. Berlin, as already mentioned, is an instance of a great municipality owning agricultural estate of 45,000 acres in extent, manured almost wholly from the sewage of the city; and we might here add the example of Munich which has a municipal estate of agricultural land aggregating 5,000 acres in area. The income from this source is in the form of rent from municipal tenants, often, as in Bombay, being municipal servants, who are given house-room at low rent as a definite attraction of municipal service; or the property may be leased out to an intermediary leaseholder, as in the case of land reclaimed by the Municipality of Bombay at Deonar, by dumping the city refuse in a low-lying and uncultivable waste, which has since been made cultivable and through cultivation, profitable to the city. The full economic rent is seldom charged on municipal properties, since considerations other and more powerful than the mere search for funds enter into the management of such properties; and hence it is impossible to criticise exclusively from the financial standpoint such management by municipal authorities. In cities, however, where housing reform projects have been undertaken expressly as commercial propositions, the criticism on purely economic or financial basis would not be out of place. Though the Bombay development scheme is neither a municipal project, nor undertaken expressly or entirely as a commercial proposition, the remark will not be considered to be utterly irrelevant that the heavy indebtedness incurred on that account calls for more drastic criticism and scrutiny, from a purely financial standpoint, than has been the case so far.

#### Industrial and Trading Domain

The other kind of municipal domain, rapidly extending and extremely varied, is of an industrial and commercial description. This domain differs essentially from the landed property of municipalities, including mines and forests owned by them. For while, with very few exceptions, the landed estate belonging to the municipality is a matter of historical legacy, the industrial domain is of recent origin, acquired by set purpose. The motives governing the acquisition may have been not entirely or even predominantly of a financial character; and the desire to render more efficient and cheaper service to the citizen may have had more than its due share in influencing municipal judgment in favour of such acquisitions. But when acquired and incorporated in the municipal domain, they still continue to be governed or administered by entirely different principles, owing of course, to the

essential difference in the nature of these two kinds of property. While landed estate is in any given time fixed; and therefore its value tends to be naturally of a monopoly character, the municipality uses its landed possessions very often to break down the force of the land monopolists in its zeal for the destruction of the slum. Industrial domain, on the other hand, is capable usually of infinite expansion; and the larger the scale on which it is worked, the greater the chance of reducing cost or increasing profit. Industrial products can also be made into monopolies, by the municipalities artificially; but when so made into monopolies the municipalities utilise, and are expected to utilise their monopolist position to cheapen price and to stimulate the demand of the service or commodity they have monopolised, unless, indeed, the consumption happens to be objectionable on hygienic or moral grounds. While the recently acquired industrial domain has in its early years made considerable inroads upon municipal revenues, the time has come in many countries, when it can be, and is expected to make a substantial contribution in relief of the municipal rates and taxes. On this basis, the administration of such services will contain an element of financial leanings, which, to the stickler for municipal reform on an individualist prejudice, will seem to be objectionable. For ourselves, we see the salvation of municipal as well as the central finance in a federal constitution, only in a steady extension of the principle of collective enterprise, which would eventuate in a complete dispensation with taxation, and find all the requirements of the state and of the municipality from the surplus of its own earnings over its expenditure. In a properly conceived and satisfactorily organised system of municipal finance, the receipts by way of fees from the administrative and regulative departments will be, generally speaking, equal to the charges of those departments; and the income from the trading ventures will be used, first to pay off the debt charge for financing such ventures; next to improve the service rendered, and in this may be comprised the interests of the consumers of the particular service as well as those of the labour engaged in the production of these utilities; and finally, the balance must be devoted to the expenses of the non-earning departments which are however of prime importance for the physical and intellectual, the moral and spiritual life of the city.

### III.—Distinction between Public Service and Profit-making Activities.

Before we consider the *modus operandi* for deriving a revenue from municipal enterprise of all kinds, it is well to make clear the distinction between those activities, which, though they have a revenue yielding aspect, were primarily undertaken with a view more efficiently and fully to render an indispensable service to the community that, left to private, profit-seeking hands may not yield as plentiful a service as may be expected; and those other acti-

Public Benefit  
vs. Profit.

vities in which the municipality engages, as much at least with a view to derive a pecuniary profit, as to supply efficiently the want its products are meant to supply. In the former case, revenue may either not be equal to the expenditure, in which case the deficits will have to be made good out of the tax income; or, if it is in excess of the outgoings, the surplus would more appropriately be claimed to reduce the charge for the service. In the latter case, the claim of the consumer for a reduction in price will not be considered in preference to the financial aspect of the department, its employees, and the general efficiency of the service.

#### Real Profit.

Municipal enterprise, particularly of a trading character, has often been criticised on the ground that the profit it shows is in many cases arrived at by making very little or no provision at all for those ordinary items of operating costs, which, like depreciation charges or rates and taxes, will have to be provided for before a private corporation in a like position can be free to declare a dividend for its proprietors. It is not merely that such a practice places the municipality in a position of unfair advantage in contrast with the private competitor of the municipal enterprise, e.g. a parcel carrying service within a municipality; but that it displays an inaccurate picture of the real financial situation of the enterprise concerned, inasmuch, as when the final loss of machinery, plant or other aids to the production of the particular service or commodity in question takes place, there would be no fund to replace or renovate it, such as an ordinary private venture usually builds up by its obligation to provide for a Depreciation Fund at rates often prescribed by law. The municipality would thus be obliged to fall back on taxation, either directly or indirectly though adding to the interest burden for the service of the loans in order to reprocur the exhausted, worn out equipment. The United States Census Bureau is among the most inveterate critics of the financial results of municipal trading ventures, and particularly of the method of representing the same. It insists upon a segregation, complete and absolute, of the accounts of such trading ventures from the general accounts of the city, crediting the municipal enterprises with all the ordinary revenue for such services as are rendered by any of them to any other department in the civic organisation; and at the same time debiting them with all benefits received by such departments from their colleagues in the municipal organisation. The English critic of municipal trading ventures, Mr. Douglas Knoop, points out the unreliability of the municipal venture receipts as shown in the accounts, owing to a variety of principles governing the price to be charged to other municipal departments for the products of the trading departments.

And, besides, there is according to this authority, a very wide margin of discretion as to charging certain items of expenditure to capital or to revenue account; as for example the cost of street improvement, which certainly benefits the municipal tramway system. The principle has been laid down in English municipal accounting system, that such costs should be shared in the proportion of two-thirds for the municipality, and one-third to its tramway system; but it is very rarely followed in practice. The offices, again, for such municipal ventures, are provided free of rent; legal service is rendered to them free of cost; bills are collected for them by the ordinary municipal bill collectors free and gratis. All this makes the receipts side more than a trifle inaccurate. On the other hand, the depreciation provision in such ventures is, according to Mr. Knoop, either conspicuous by its absence, or is utterly inadequate as judged by commercial standards of adequacy.

There is, however, another side to the shield. We do not feel disposed to question the intrinsic soundness of such criticism. But the critics overlook the value of the service rendered, not merely in the specific commodity or service supplied to the community at cost price or less, but to a much larger, though far more intangible, extent in maintaining high standards of wages and conditions of work for the municipal operatives, which the private, commercial, and profit-seeking ventures seldom consider to be their obligation. The penalty of their ignoring this special obligation has to be paid by the municipality in the shape of hospital charges and poor relief dues and increasing death roll; and no one has so far thought of charging the corporations, intent upon seeking profit from such public services for themselves, with such items covertly, imperceptibly thrown by them upon the municipal purse. They pay municipal taxes, no doubt; but municipal taxation is assessed, as every one knows, on principles which have nothing to do with bringing home their liability to such defaulters, and indemnifying the municipal exchequer precisely to the extent of such obligations falling on it owing to the disregard of their human and social obligations by such profit-making private corporations. If a city telephone company, operated for private profit, employs girls by the thousand at its several exchanges, and exacts from them work irrespective of their nervous strain and mental stress, it becomes the unperceived but unquestionable cause of neuralgia in thousands of otherwise healthy young women; and if the ultimate consequences of such neuralgic women are broken homes, deserted husbands, or neglected children, who all in their turn revenge themselves in their own way on the community which has neglected them, who would insist on the prime cause of all this mischief, the profit-seeking greed of the private commercial corporation, who sweated these

Some points  
in favour of  
Municipal En-  
terprise.

girls into neurotic women unfit altogether for citizenship? We would not suggest that trading accounts of municipal ventures should be passed without the most complete scrutiny, without the most approved standards of accuracy and correctness expected from corresponding statements of private corporations. All we would insist on is that in offering criticisms, and instituting comparisons between private and municipal ventures of similar descriptions, we must not weigh the scale against municipal enterprise, simply because it is unfamiliar; or even because it is in its nature and tendency subversive of private proprietorship. The accounting system has, indeed, yet to be devised which would properly account for all the immeasurable value of the intangible service rendered by municipal enterprise, even in those branches in which the driving force is pecuniary profit, and not the zeal for public benefit which dictates the bulk of the municipal trading activities. But because we cannot exactly estimate or properly record the value of such services it would be unfair to neglect it altogether, and expose the financial weakness of municipal enterprise because allowance is not adequately made for items like depreciation on the model of the commercial practice in like ventures.

#### IV.—Modes of Earning Revenues from Municipal Enterprise.

Rate-making  
for Municipal-  
ised enterprises

Let us next examine the methods by which a municipality may obtain an income for itself from such public service ventures. While these ventures remain in the hands of private individuals, the only means for obtaining a pecuniary benefit for the municipality is to tax such public service organisations in private hands. We have already touched upon this method at some length, and here we need only point out that this is the oldest method, and, in many quarters, even now the most popular. On grounds of financial benefit alone, economists of the individualist persuasion have argued that the benefit to the municipal exchequer would be much greater if such enterprise is left in private hands; for then the municipality would be able to tax not merely the property and assets, but also the earnings and profits of such enterprise to a special Public Utility Corporations Tax. Of course, in countries where, as in India, the entrepreneur seeking his own private profit and engaged in works of public utility is considered as a public benefactor, such proposals for special taxation may not find favour, and need, perhaps, not even be discussed. But even where the real interests of the municipality are studied, opinion may quite possibly differ as to the maximum benefit obtainable from direct operation by municipal agency of such ventures, or by taxation of the private corporations engaged under municipal authority and license in such enterprise. For our part, we believe the pecuniary profit as well as all other kinds of benefit to the municipality would be greater by a direct operation of such ventures by municipal agency than by taxing specially and

differentially private corporations entrusted with the carrying on of such business. Our opinion is, indeed, based on the assumption that municipal administration can command that degree of honesty and integrity as well as intelligence and efficiency without which, of course, it would be hopeless to operate such enterprise municipally, and unjust to contrast its results with those of commercial bodies, if the municipality has rushed in where angels fear to tread. But granted the necessary degree, of intelligence, integrity and efficiency, we think it would be unfair to tax specially and differentially private corporations engaged in the supply of public service requirements, as some cities in America do, because the municipality is apprehensive of conducting such ventures itself. It is a confession of inefficiency or incompetence, which must not be concealed by this invidious taxation; the more so as the unavoidable consequence of such taxation would be a penalisation of the municipal consumer, or, worse still, the encouragement of what the Americans term "Graft", or a species of dishonesty, which is all the more difficult to combat because it is so difficult to locate and establish. An impecunious municipality may try the experiment, but we think it would almost certainly be obliged to reconsider and replace it by direct enterprise.

Failing the taxation of public service corporations conducted for private profit, the next method for obtaining a revenue for the municipality from such ventures is to treat all such ventures as privileges or concessions, that the concessionaire must pay for. Berlin derives a handsome revenue from the private ownership of its street railways and electric enterprise through this source. The municipality really becomes a partner,—a sleeping partner,—who would not take the risks of the business, nor the worry and trouble of management, but who is quite ready to seek a net profit for itself if some one else is found anxious and willing to take up the task. This is a favourite device in all those new discoveries of science which are possible to turn to public account, but the commercial success of which is still doubtful. The method is by no means unfair, since the concession is indeed a valuable privilege as a rule; and the concessionaire is bound to make a profit for himself.\* The municipality, on the other hand, may quite reasonably feel apprehensive of risking public monies in ventures which are not altogether beyond the possibility of loss. The sharing of profits is thus the best arrangement for all concerned. And if the ultimate interests of the city are safeguarded by provisions in such agreements as to the rates to be charged for the service rendered, and for the

Tax on concessions.

\* The land reclaimed by refuse dumping by the Bombay Municipality is leased out to a tenant farmer, who pays a net rent of 30,000 rupees per annum for yearly tenancy. When questioned by us he refused to declare the gross value of his total produce. But he engages some three hundred labourers on a daily wage of one rupee on an average; giving 300 working days in the year,—he raises 4 crops we were told,—his wages bill alone would be Rs. 90,000. In addition, there is the rent charge of 30,000 plus the seed-cost, the bullock-keep, marketing, and the maintenance of his own family, and his profit. The gross profit cannot be much under 25,000, or the total produce must be valued at between 150 and 200 thousand.



acquisition by the city of the entire enterprise when it should be convenient for the municipality to acquire it, at a valuation, the general lines of which are determined equitably in advance in the said agreement, the method of concession-cum-profit sharing will have much to recommend itself in backward or unenterprising municipalities, and very little to go against it. The only detriment of such an arrangement is that it helps to create vested interests, which quite conceivably it may be difficult for the municipality afterwards to combat and uproot, when it should feel itself ready and prepared as well as competent to take over such enterprises. For this reason alone, were there no other and more positive considerations, we would vote against the concession system of profit-sharing between the municipality and the concessionaire, more or less in disguise.

**Salient Points  
in Concessions.**

While we are considering the device of concessions, let us consider the main features in brief outline of a concession agreement. In drafting the concession-agreement, the problem before the municipal solicitor would be how best to regulate and control the monopolist, who, if uncontrolled, will use the monopolist's well-known power of limiting supply so as to make the maximum profit for himself. The main points to be considered are:—

**The Term of  
the Concession.**

(a) The duration of the concession. Perpetual leases of such valuable privileges of an unavoidably monopolist character are most inadvisable. On the other hand the fixing of the period is by no means impossible, there being fairly reliable and concrete bases for determining the duration of the lease. A most common, and reasonably just method is to allow a period, in which the earning of the corporation would, normally speaking, be such as to reimburse them for all expenses and sacrifices in the earlier years, when the returns were doubtful, as also the restoration of their capital investment. Such a period may vary according to the nature of the undertaking, but, as a rule, we might say a 21 years' lease ought to prove perfectly fair to all parties.\* Perpetual leases, once very common in England for Water and Gas corporations, are now recognised to be mischievous in the interests of the municipality, and so abandoned; the old perpetual leases being shelved by means of special Acts of Parliament authorising the municipalities to compulsorily purchase the undertakings.†

**Valuation.**

(b) The next point to be considered is the method of valuation for taking over the undertaking to be run directly by the municipality

\* The Tramways Act of 1870 provides for such 21 years' leases, while the Electric Lighting Act of 1882 prescribed the same period, though six years later, another Act on the same subject gave 42 years as the maximum of Electric Lighting Leases. The Bombay Electric Supply and Tramways Co., has, as we have seen, a 42 years' lease, probably as it is styled Electric Supply before Tramways.

† Mr. Douglas Knoop, the English authority on Municipal Trading, considers the 21 years' lease may prove unjust to the capitalist (Op. Cit. p. 28.) Says he "The only solution seems to lie in adjusting the duration of the lease to the character of the undertaking, so as to enable an efficiently managed company to recover the whole of its capital expenditure at the end of the lease, and to earn what, in view of the risks involved, may be regarded as a reasonable profit during the lease..... Thus if a twenty-one years' concession was just adequate for a horse-tram undertaking, it is presumably inadequate for an electric tramway undertaking, in which a much larger capital outlay is involved and a much greater provision for depreciation and obsolescence must be made.

at the time the lease expires. The difficulty of the question as to how long the lease should be lies really in this point about valuation at the time of purchase by the municipality. According to the theory underlying the British Tramway Act of 1870, nothing need be paid by way of goodwill or any intangible asset, the valuation only recognising the physical assets at the time of the sale. Care must, of course, be taken, that such corporations do not needlessly inflate their stock at the time of the taking over, or just shortly before it, and the provisions quoted in BOOK II. regarding the terms of acquisition of the Bombay Electric Supply and Tramways Co., Ltd. will illustrate this point. Our accepted ideas of justice will not permit the present-day municipalities in most countries with a commercial basis of society to remember, that in the course of the concession, an undertaking like this might have earned its capital several times over in 21 years; and the threat of municipalising the industry in question will only arise, if the municipal sentiment is ultra powerful, if the service of the company is inefficient, which it is reason to believe would improve in the hands of the municipality, or when there are ulterior objects at heart of the municipal council which a profit-making private corporation cannot fairly be asked to subserve. But in all such cases, the municipality cannot afford to be over generous with the corporation, who, it must be remembered, has had excellent opportunities to secure to itself profit, sufficient to cover the eventual contingency of compulsory acquisition by the municipality.

(c) During the operation of the leases also, there are matters in which the municipal control must be admitted. In all public service utility industries, the prices to be charged must be carefully defined. The municipal authority fixes either the maximum price, over which the undertaking cannot in any way charge the public - e.g. the one-anna universal fare on tramways irrespective of the area or distance served; or by a sort of a sliding scale, varying the price with the dividend paid or payable by the private corporation. The latter device is unusual in the case of tramways and electric supply industries, and so believed to be inapplicable, though there seems to us to be nothing inherently impossible in such arrangement, being applied to these companies. In the case of Gas enterprise in private hands, the British practice permits the limitation of dividends to 10%, and so admits of a sliding scale of prices which must fall as the dividend rises, so as to allow a part of this profit to be returned to the consumer in the shape of reduced charges for the service.

Charges.

The last method, and the one now getting most commonly in vogue in all advanced municipalities with a definite conscious sentiment of municipalisation, for deriving a revenue from such enterprises is to conduct them directly by municipal agency. In all undertakings, the profitability of which on a commercial basis has been established by experience there is no reason why the municipality should not undertake to own and manage such ventures by itself. Even if profit is not the prime consideration, as it seldom is, municipalisation of important industries is favoured nowadays, because the greater projects of civic and social reform, which are inextricably mixed up with these ventures, will not be feasible, unless and until the municipality takes its due place in the conduct of such industries. And in cases, where, as in regard to the substitution of electricity for steam in motive power, or gas in lighting, the venture is too new and unfamiliar to permit of its undertaking by the municipality, allowance may be made for a period of transition during which the fortune :

Direct Management of Enterprise by the Municipality.

of the new discovery are tried by the concession system of working them. The profit when derived or derivable, is, in no case of municipal industry, derived exclusively on a commercial basis or by commercial considerations. The rating problem, which we shall review a little more fully below, is always shaped by other considerations at least as important as the consideration of revenue. Even if, at the time a particular industry or enterprise is municipalised, the consideration of revenue is the most prominent, other considerations will very soon manifest and assert themselves; and a conscientious municipality cannot simply ignore them. But in justice to the policy of intensive municipalisation, considered from a strictly accounting point of view, it must be added, that while municipal accounts of such ventures are often alleged to offend in regard to the valuation of stock, the provision for depreciation, the replacement of old equipment, the keeping abreast of times; and though the bulk of this criticism is often the result of a want of appreciation of the multitude of considerations, the municipality, on the other hand, takes no credit in its account-books for those intangible services which it renders by means of such enterprises in its own hands to the community at large; and that before a verdict be passed against them, the dispassionate student must remember that if only a system of accounting and recording could be invented which would give due credit for such intangible services, the net financial result of municipal enterprise would, on the whole, in every country be a remarkable, substantial surplus; and that that in itself would be an argument for the further and more intensive municipalisation of at least the essential services and their adjuncts.

#### V.—The Problem of Rate Making in Municipal Enterprise.

Complications  
in Rate making

The most difficult and the most invidious of the problems facing the politician advocating an intensive municipalisation is the problem of determining the charges to be levied. As a rule, the industries selected for municipalisation are, by their very nature, monopolies; and in monopolies, natural or artificial, the authority fixing the charges is always tempted to restrict supply, so that the price would be automatically higher, and so also the profit in consequence. The state, or its agent the municipality, cannot countenance such unsocial policy. Its object,—the very *raison d'être* of its municipalised industry,—is to promote the greatest possible use of the service it offers; and so the price must be brought down, and still further brought down, till it equalises the expenditure on maintaining and operating the service. Even this is not a fixed limit. For if the service is essential to the welfare of the municipal community, the municipal council might quite easily be persuaded to vote a subsidy to the service, rather than reduce its consumption by the community. On the other hand, in a monopolist enterprise, each successive reduction in price may be stimulating consumption in something like a geometric progression; and so may result in profit in spite of a reduction in the rate, which it may be quite a new problem or complication to dispose of satisfactorily. The claims of further cheapening the service; of better provision against depreciation and reserve; of a more liberal recognition of the demands of the

workers engaged in the production of that service, not to mention the exchequer needs of the municipality itself for the relief of the general tax-payer—are all mutually conflicting requirements. And the satisfactory adjustment of all these claims will demand no small proportion of the energy and ingenuity of the rate-making authority.

The basis of rate-making may be either the quantity of the service or commodity consumed, e.g. so much per thousand gallons of water; or compounding the charge for a fixed sum on the estimated basis of consumption; or the charge may consist partly of a fixed element, partly of a variable e.g. in electric current. A distinction may also be made in the charging according to the purpose for which a service or commodity is used, e.g. one charge on the tramways for school children, and another for adults; one rate for water supply for domestic purposes, and another for industrial use; or a variation between the prices within the municipal limits, and those charged without, the latter being usually higher.

It must also be remembered that in prescribing the rates, the municipalities themselves are not entirely free. The constituent or authorising acts generally tie them down to a certain maximum; and though, speaking of British conditions and particularly of the Gas and Electric enterprise, Mr. Douglas Knoop opines that:—

“The maximum charges are generally greatly in excess of anything that can be described as reasonable prices, and local authorities sell their gas and current on much more favourable terms than those on which they are compelled to sell.”

still, the existence of a clear statutory maximum is useful, if only to serve as a standard, or as a brake to impecunious municipalities anxious to make an undue profit from such industries. The restraining influence of such statutory maximum is distinctly recognised by all authorities\* in the case of water undertakings.

Detailed consideration of rate-making in specific industries would take us too far beyond our field to be ventured on, though a review of the prevailing practice in the case of the most important branches of municipal enterprise may prove most instructive. We shall, however, confine ourselves to the most salient features in the rate-making problem in connection with such industries as water-supply, tramways, or electric lighting, to indicate how these charges are fixed in practice.

Water-supply in modern towns usually costs such enormous sums that the sale of water very often fails to make up the maintenance costs and interest, as well as the Sinking Fund charges on the loans incurred. Subsidies from

Basis of  
Rate-making.

Limitations  
on the Municipal  
authority.

Water-Rate  
in practice (a)  
Quantity charges.

\* Douglas Knoop, Op. Cit. pp. 190-191.

the general taxation to equalise the water budget, may be unavoidable especially at times when the works are still under construction, and when, though the loan has already been raised and interest is accruing due, there is no income to set off against these charges. But the sound commercial practice of making the income from the water-supply equal the expenditure on account of the same, as soon as may be, cannot be ignored without the penalty of disorganised finances and demoralised enterprise resulting. Water is, therefore, sold by municipalities; and the selling policy takes one of two usual forms:—charging in direct proportion to the consumption; or charging a fixed sum irrespective of the actual consumption, though calculated on an estimate of the probable consumption. The fixed minimum of charge irrespective of consumption might act as a restraint on waste; but usually that policy is productive of waste. The Indian practice of charging for water by meter is paralleled by the German practice; but in Britain: “The policy of charging by meter for water supplied for domestic purposes appears to be very uncommon amongst the water undertakings managed by the larger British local authorities.”\*

**Meter-Rates.** The flat meter rate may be varied in accordance with the quantity consumed by means of discount or rebates, and attention may be paid to the number of rooms and inhabitants in each building supplied with water-meters. Distinction in the charges may also be made, so as to make the charge lower in the localities where the poorer classes live, and higher in all other regards, as is done in some of the Italian towns. In some cities, under exceptional pressure, water is charged for at different rates in summer and in winter. Where water is provided for a fixed charge for domestic purposes, irrespective of the quantity consumed, extra charge is also made for all water required for uses other than domestic, i.e. cooking, drinking, or washing. But this special charge for water-closets &c. is concealed by another special tax,—the **Halalkhore Tax** of the Indian municipalities, which is a charge really for a service rendered, but which the difficulty of apportioning exactly to the service has induced the municipal authorities to clothe with the garb of a tax.

**Electricity**  
**rates.** In rate-making for electric light and power, there are several methods in vogue; and very much must depend on the particular circumstances of each case as to which of these methods shall be adopted. But there are essential differences between the electric supply service and gas supply, for example, which are well worth noticing. As electric current is all but impossible to store cheaply, it becomes necessary to instal sufficient generating

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\* Khoop, Op. Cit. p. 193. See also the table ante. p. 437 giving the financial results of the British Water works. In Britain also, trade needs are supplied by selling water by meter, and in Bombay the domestic water supply is assured and paid for by a special water-rate, which probably accounts for the frequent complaints of insufficient pressure in the Bombay water-mains. Their frequent bursts are inexplicable.

plant to meet the maximum demand for current, occurring at the hour of the greatest requirement, in the whole year, and the capacity of the generating plant would, in practice, have to be larger than the maximum demand in this hour of the greatest requirement in order to provide for a reserve. Gas, on the other hand, permits of the heavier demand of the long winter evenings to be met without any extra storage facilities from the accumulations in the gasometers during the morning. In the case of electricity, moreover, the cost of supplying the current does not fluctuate closely with the quantity of the current supplied; so that charging on an absolutely quantitative basis is impracticable. Electric enterprise, besides, demands a very heavy initial cost, even where electricity is generated by water-power.\* The general and fixed charges on such ventures have very little to do with the consumption of the current produced, and they aggregate some 70% of the total expenses where current is generated by water-power, the variable expenses being 30% or less in the case of the hydro-electric works. If every unit of current sold is to be charged with its proper share of the fixed as well as the variable charges, the rate made in consequence would fall with unequal and inequitable pressure upon the different classes of the civic community. It affects materially the cost of production according as a citizen uses his current intensively or otherwise, according as his demand is during the "rush hour" or otherwise; and a system of charging which takes no notice of all these factors of variation would prove obviously unjust.

The proper, scientific system of charging for electric current must make due allowance for three factors at least; the size of the demand, the intensity of the consumption and the hour of the consumption. Discrimination may also be made between large and small users, and between current wanted for domestic and that required for industrial purposes. The principle of "Charging What the Traffic Can Bear" has become a commonplace in railroad rate-making; but it seems to be equally important in electric tariff-making. The Bombay system of charging at 4 annas per B.T.U.† makes allowance, however, for these variations as shown in appendix given below.

Main Factors  
in Electricity  
rate-making.

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\* The experience of the Hydro-electric projects on the Western Ghats supplying Bombay with electricity for light as well as power is very instructive in this regard. The displacement of a considerable number of small holders, whose land was required for the construction of the dams, led to a strong agitation, due partly perhaps to misunderstanding, but partly also to a real hardship to people who for centuries had known no other occupation but tillage of land. This increased the cost materially by heavy compensations.

† A B. T. U. or a "Board of Trade Unit" (or British Thermal Unit) is the same as a kilowatt hour, which is equal approximately to 1 1-3 electric horsepower for an hour, or, the consumption of 16 c. p. glow-lamps for an hour." (Knoop: p. 225).

## APPENDIX.

## RATES FOR ELECTRIC SUPPLY.

FOR GENERAL PURPOSES.—(Lighting, Punkahs, etc., and Motive Installations under 5 Brake Horse Power capacity.)—

- (a) Commercial and business premises, clubs, restaurants, hotels, theatres, etc.— $4\frac{1}{2}$  annas per unit, subject to a monthly discount of 1 per cent for every completed 250 units consumed, with a maximum of 35 per cent.
- (b) Residential Premises and Religious and Educational Institutions, 4 annas per unit. No discount.
- (c) Hospitals.—Same as (a), but in no case shall the rate charged exceed 3.15 annas per unit.
- (d) Special Rate for Cinematograph—Theatres.—by special agreement, at 2 annas per unit without any discount.
- (e) Illumined Signs.—3 annas per unit, subject to a monthly and maximum discount same as (a)
- (f) Special Rates for domestic heating and cooking.—One anna per unit without any discount.

FOR MOTIVE POWER PURPOSES.—Installations of 5 Brake Horse Power & upwards)—

- (g) Lifts.—4 annas per unit. No discount.
- (h) Industrial Motive Power Installations of from 5 to 10 Brake Horse Power Capacity.—2 annas per unit. No discount.
- (j) (1) Industrial Motive Power Installations of 10 Brake Horse Power Capacity to 150 Brake Horse Power.

A standing charge of Rs. 8 per Kilowatt of Maximum Demand per month, and in addition a running charge of two-thirds of an anna per unit consumed.

The application of this rate will, however, be subject to the following conditions:—

In no case will an average rate higher than 1.5 annas per unit be charged for either A. C. or D. C. Supply.

In the case of applicants for power whose annual consumption exceeds 400,000 units, special rates will be considered.

- (j) (2) Heating for Industrial Purposes.—same as (j) (1).

(k) Industrial Motive Power Installations of 150 Brake Horse Power and Upwards and Bulk Supply.—Special Rates on application.

Note.—The above rates for Industrial Motive Power only apply to installations situated on the routes of the Company's distributing mains.

MINIMUM CHARGE.—Any consumer using less than 40 units in any one quarter will be charged at the rate of 5 annas per unit upon his actual consumption during that period. Bills will be rendered monthly at the ordinary tariff rates, and in the third month if it is found that the consumption has fallen below 40 units for the quarter an adjustment will be made in that month's bill for the difference between 5 annas per unit and the tariff rate for the period.

N. B.—Extensions to installations must be notified to the Company before connecting them up, in accordance with schedule VI (1) Indian Electric Act. If however the load due to an extension exceeds the capacity of the Company's service mains, the Company may demand a new requisite for such supply.

Rate-making for the street-railways in cities, or tramways as they are more familiarly known, is the most difficult from one point of view, and the easiest from another. If proper principles of economic rate-making are to be employed, the tramway authorities will have to bear in mind the nature of the traffic, the cost of operating, the fixed as well as the variable expenditure &c. But such a system would be almost certainly productive of considerable hardship and annoyance, not to say swindling of the passengers, if fares are framed according to distances, and cities are divided into sections or stages between which the fares differ. The uniform fare irrespective of the distance travelled, on the analogy of the post office rates, would mean the greatest receipts for the tramway company, or for the municipality running the tramway on its own account, notwithstanding the utter ignoring of the cost-of-production basis seemingly in such an arrangement. In large towns particularly, with their long distances, this system of uniform rating will involve no loss, as it will have its own compensation in the form of short distance traffic, which would cost as much under the uniform fare charged. The uniform fare will also assist materially in the decongestion of the overcrowded centres, and the development of suburbs, though many authorities feel the uniform fare in the hands of private corporations might militate against the proper extension of the tramway system; and if the extensions do not take place as they should, the social object of decongestion will not be served.

Tramway  
Fares: (a) Uniform.

If fares are charged roughly according to the distance travelled, the charging authority will have three alternatives open to it, after the minimum charge zone is passed. The Tramway enterprise is one in which, properly conducted, (b) Fares according to distance.



ad, the receipts ought to follow what the economists call the Law of Increasing Returns; and per contra, if the tramway service is to be popularised as fully as it deserves to be, the charges ought also to follow the same law. i.e. the rate per unit should diminish as the distance travelled increases. There are corporations which are content to keep a uniform rate per unit of distance travelled, irrespective of the diminishing cost of larger production, and the consequent obligation on the corporation to return a part of this diminishing cost in the shape of a lower charge for a longer distance. But even if this action could be defended at all, on grounds of *la haute finance*, it is absolutely impossible to defend that other policy of tram-way rate-making, which charges actually higher rates for longer journeys. From social as well as economic reasons, it is impossible to understand why such an enterprise should be charging higher for a service which actually costs less to produce and, with the exceptional case of a tramway system worked jointly by two or more towns for their common benefit,—where a low charge within each town's limits may be distinguished from a higher unit charge outside the city limits,—the system of increasing the unit charge per distance travelled is utterly indefensible.

Opposition to  
Fare reduction  
of Tramway  
authorities

The tramway authorities,—whether a committee of a municipal council or a private company—are usually anxious to raise their charges; they are seldom as anxious to point out possibilities of reduction, which, in the proper service of the city, they are expected to render. Thus take the case of the school-children. The Tramway companies in certain European towns have granted concessions to scholars, as we have seen in Book II, which materially affect the cost of educating the children to their parents. In India, however, the tramway company, in the most advanced municipality, seems to be utterly innocent of the very faintest glimpse of its civic obligation in this regard. The scholar's concession may, and often is, restricted to the scholar only; i.e. to the school-child to and from his school, just as the specially reduced fares to workmen are confined to workmen travelling to their work and back to their homes at particular hours of the morning and evening. But such legitimate restrictions, which are only intended to see that no other class but the one intended by the rate-making authority to enjoy the concession gets it, are, however, entirely different from the radical refusal to recognise any such obligation as a specially reduced rate to particular classes of citizens needing some concession of this kind.\* The all-round reduction in fares, such as the half-penny fare tried and found very popular in Glasgow, and also in Manchester in the first decade of the present century, has been making very slow pro-

\* "On the London County Council system, the fares by workmens' cars on the routes to central London are generally one penny for a single journey for any distance beyond the usual half penny stages, and twopence for two-journey tickets available for another journey, on any route, on any car, at any time on the day of issue. In this way journeys upto eight miles can be made for a penny." (Knoop Op. Cit. 268.)

gress, as the financial interest does not coincide yet with the social interests. The penny-a-mile basis has been so thoroughly stereotyped that conservative tramway financiers in Britain, and their utterly unimaginative imitators in this country, cannot conceive the possibility of such an increase in the volume of traffic induced by the lower charge as would wipe out all likely deficit in the working and other costs. True, there is always a limit, at any given time, to the number of passengers that could be brought to the tramways; and that this maximum cannot be increased, no matter what the reduction in fares may be. But this argument overlooks the point that in cities of growing dimensions the maximum is constantly shifting upwards; that the lower charge would tap a number or a class of travellers by the tramway which will not ordinarily think of that means of transit as they cannot afford it; that in poor cities particularly,—like all cities in India,—there is a large class of citizens, to whom the penny-a-mile basis, or even the uniform anna fare (penny fare,) will be impossible, as their means would not permit them to indulge in the luxury; and that for such classes and such reasons, it would be of the utmost importance to try the half-anna scale within limited regions, or for particular classes,—(e.g. the millhands from let us say Soparibag in Bombay to the Dadar mills, or the Currey Road mills, a distance of half-a-mile at most either way; or for Port Trust operatives from the harbour to their homes by special trams at certain fixed hours only); and we venture to think the financial loss would be nowhere in proportion, if it results at all; and that even such loss as there does result will be made up for in course of time by the growth of business.

## VI.—Rate-making for Purely Commercial Enterprise.

It is impossible to find satisfactory examples of purely commercial ventures conducted by municipalities, where the rate-making may be governed exclusively by commercial considerations. In almost every municipal activity,—at least in countries where society is founded on the orthodox individualist basis,—some aspect of social welfare will have to be considered; and to the extent that such consideration materially affects the rate-making of the municipality, the rate cannot represent a purely commercial charge, framed according to the strictest rules of obtaining the maximum profit available from this source. In the case of mineral waters springs, which some towns possess as a natural monopoly, the charges may be made—particularly to foreign visitors,—on a truly commercial basis. But even here, the ruthless application of the principle of charging the maximum that the traffic can bear would be unadvisable, inasmuch as the foreign colony attracted by the merits of a spring at Bath or Vichy may be scared away by too heavy rates; or the proportionately heavy rates for the use of the spring bath may injure unnecessarily the hotel-keeper's trade and other Commercial Enterprise of Municipalities like medicinal springs.

logous businesses. While, therefore, charging for profit is conceivable, there will always be presented to the municipal rate-making authority considerations that must militate against the squeezing out the utmost that can possibly be squeezed by way of the prices for the service rendered.

Municipality  
is a consumers'  
co-operative  
Association, on  
a compulsory  
basis.

If one municipality undertakes a commercial enterprise, e.g. the generation of electricity by hydro-electrics, and is able to sell part of its product to another sister municipality, it must observe the rule of a consumer's co-operative society, wherein they produce primarily for use and not for exchange; and so such exchange as they find it convenient to make cannot be on terms of a purely commercial nature. The municipality is itself an association of consumers who will consider themselves benefitted by the expansion in municipal activities only in proportion as the prices charged to them are in accordance with the essential or even ornamental services rendered to them. The fact that in this association of consumers, made up of the citizens of a city, a partner is introduced in the shape of another municipality, does not make such a radical difference as to justify a municipality in charging for its product anything more than a properly ascertained cost price to its sister municipality. If Bom-

(a) Electric  
city.

bay, at the foot of the ghauts, finds it easier to produce electric energy on a large scale; and if the latest advances in modern science make it possible profitably to transmit the current to Poona or Belgaum, to Surat or Ahmedabad, thus saving to those cities the necessity of generating their own electric energy, it is not a reason that Bombay should charge for its excess electric supply rates higher than the cost of production, simply because the consumers are not its own immediate citizens, but the citizens of other sister municipalities.\*

(b) Port Dues

Similarly, the fact that Bombay is the most important port on the western coast of India, and that through it passes nearly 40 to 45% of the total foreign trade of the country, is not a reason, in our opinion, for the Port authorities in Bombay to charge port dues and other charges, calculated entirely with reference to the needs of Bombay, and making absolutely no attempt at considering the needs of the trade as such. In a sound system of local jurisdictions and local finances, we would have the same general authority supervising and administering the municipal as well as the port affairs; the charges on trade and on the citizens being levied with due regard to the prosperity, not only of the citizens of Bombay, but of the citizens of Bombay viewed in their proper place in the cosmography of the entire Indian Empire. And so viewed, the Port charges levied to-day, which are explicable if at all on the basis of charges for a natural monopoly, are utterly indefensible, in so far as they press

\* One of the oldest hydro-electric ventures in India,—the Shiva Samudra falls on the River Cauvery in the Mysore State,—transmits electrical energy to Bangalore and Kolar,—over a distance of nearly 100 miles. There is nothing impossible in Bombay similarly supplying Surat or Ahmedabad.

unduly on the trade of the whole of India. We do not suggest that the Port charges would be wholly abolished, if the Municipality and the Port Trust were combined into a single, homogeneous corporation to manage the affairs of the city on land as well as on the harbour side. What we would like to emphasise is, that the port charges would, in such an arrangement, be viewed in their proper perspective of the local finance relating to the city and harbour of Bombay; and as such, all those benefits which the expanding trading activities of the city should effect upon the general revenue will also benefit the revenues of the Port Department; and so go to reduce the charges, which to-day press unjustly, in our judgment, on the trade of the whole of India.

The purely commercial rate can be charged, then, only in the case of those industries which have been acquired or started by the municipality for purposes not immediately connected with Social Reform or general welfare. Take the case of the Cotton Industry of Bombay. It is a splendid instance for municipalisation, if only those who run the municipality had the daring and the wit to conceive of such projects of wholesale socialisation. The industry is to-day, on all accounts of people most intimately associated and concerned with it, in a parlous condition. The pressure of iniquitous taxation, like the Cotton Excise Duty or the heavy import duties imposed for revenue purposes on stores, machinery &c.; and the effects of unfair, unequal competition, make the Bombay Cotton Industry in a hopelessly perilous condition. The conductors of the industry were in many instances to blame, inasmuch as they did not provide sufficient reserve from those record profits which distinguished the years of boom, immediately following the sudden close of the world-war. And even to-day, many of them do not seem to have learnt the simple lesson of conservative finance in industry; viz. that it does not pay to carry on for an indefinite period large stocks of manufactured goods in the Micawber-like faith that "something will turn up" to convert their clear staring loss into as substantial a profit. The main difficulty of the Cotton mill industry of Bombay to-day is that most mill-owners have not perceived the continued havoc of trade depression; and that their carrying huge stocks at the old inflated values must needs result in losses, which are further intensified by the loss of interest on these accumulated stocks and their locked up values. To write down these stocks now at one stroke would be a heroic act, that few of our present day mill-agents seem to be equal to. But that does not prevent the main difficulty from being a difficulty mainly of finance; and whoever can afford the financial ease has the entire mill industry in his grip. Now the municipality, in our opinion, ought to think ahead, and take for itself a step which a shrewd financial speculator may be well inclined to take to-morrow. The Municipal Corporation may not have powers enough to-day to take over the entire industry. But if that body could only make up its mind, such a wholly localised industry

The purely  
Commercial  
Rate for Muni-  
cipal services.

would be the most suitable and profitable for immediate municipalisation; and as at the present juncture it would be also most appropriate, it might also be described as the most providential.

Cotton Industry in Bombay and its impending capitalistic combination.

If the municipality does not or cannot make up its mind for the taking over of this greatest of modern Indian industries, the only salvation for it is the concentration of the entire industry in the hands of those who can afford it the necessary financial life-blood. The Cotton Trust of the American type is impending; and if local sentiment or intelligence is not strong enough to acquire the industry for the municipality, the devices of price-control agreements, Holding Companies, lateral combinations, and vertical unification, will follow each other in an inexorable succession, till the entire industry, with probably the principal auxiliaries, will come to be centred in half a dozen hands at most. The obvious economy of combined management, with the great strength it must naturally impart to enable the industry to raise its head against the unfair competition of the Japanese or the Manchester mill-owner, will be too strong a temptation for the mill-owners not to think of combination in some form as a mere measure of self-defence. If they would not perceive this extreme need for combination as arising out of the intrinsic merits of the case; and if the combination is forced upon them by the irresistible might of the financial octopus, the Trust, when it is born from such circumstances, it will be motivated by factors and directed by considerations not entirely in harmony with the real economic interests of the industry itself, not to mention the interests of the country at large. Already the mills in Bombay city are getting into the hands of an ever diminishing number of groups of owners; and the day these powerful groups perceive their real interests to lie in concentration and combination, the syndicated operation of the cotton industry will be an accomplished fact. There would then be no room for considering the interests of labour, or even of the consumer, which constitute, in our opinion, the strongest argument for the municipalisation of such an industry. The Trust will levy its toll on the whole of India, and will offer terms to the Labour engaged in the industry, which need not be necessarily worse than those obtainable to-day, and which may quite conceivably be better; since we feel certain the evolution of the Trust will be preceded by or at least be concurrent with the realisation of the economy of high wages, but which will nevertheless contain an element of absolutism, that the growing consciousness of the rights of labour could only interpret as the result of a class-war. The profits of the industry, even now not utterly unknown in spite of the depression, will then be swallowed up entirely by the Trust, and the community will have no say whatsoever in the determination or the distribution of the surplus. It is to avoid this apparently inevitable calamity that we have suggested immediate municipalisation, quite apart from the likelihood of handsome revenues the municipi-

pality may derive from the direct ownership and operation of such an industry. Even in these days of the extremest depression, the net profit in the Municipal hands would be about 1 crore of rupees per annum, if all the mills in the Town and Island of Bombay are socialised; and if the claims of the capital invested in it are restricted to a standard profit of 6 %

The possibility of a handsome surplus, the concern for the rights of labour and for the claims of the consumer are, thus, among the principal motives for us to recommend the municipalisation of the industry. The argument of the incompetence of a body like the municipal corporation of Bombay is to us meaningless, since the factor of personal supervision and direct individual control of the owner himself is as dead as the dodo in all modern large-scale industry. Impersonal or delegated management by properly trained and salaried personnel is as accessible to the municipality as to the private trust magnate, if not more so on account of the greater dignity of public service. The Capital required may also be raised by the municipality,—the Bombay mills will not cost more than 8 crores on a par valuation,—by means of a loan to be given in exchange for the present holdings of the proprietors or shareholders, who, in so far as they are genuine investors, ought to prefer the municipal security to the security of the private owner not entirely above suspicion as to manipulation of the prices of the scrip in the Share Bazaar for their own personal speculative ends. And when the money is forthcoming, which will not be required, we repeat, in cash, but will only be a transmutation of security recorded in the books of the municipality, the organisation of the entire industry, according to the most expert advice the city can command, so as to secure the utmost economy in the ownership and operation of the industry, will be a matter of time only. The interests of labour as well as of the general consuming public will have to be duly safeguarded; but while such conflicting considerations may create difficulties, we do believe the difficulties would be entirely beyond the ability of the Bombay Municipal authorities to solve, if they once make up their minds for the municipalisation of the industry. The net income from this industry, now represented by the commissions paid to the Managing Agents,—i.e. after the bondholders' or shareholders' claims have been satisfied and all other expenses defrayed,—and without allowing for a possible expansion and economies, would amount to nearly Rs. 1 crore per annum.\*

\* The profits of the Bombay Mills are given in a tabular form by a competent authority in the Indian Year Book for 1924, p. 412, from which we make the following extracts:

Year	Profit (crores)	Commission (lakhs)	Depreciation (lakhs)	Wages (crores)	Spindles (lakhs)	Looms.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1905	3.47	47	65	2.01	25.60	28,000
1910	0.60	26	75.50	2.56	28.04	41,000
1914	0.89	25	83.15	2.87	30.09	42,000
1918	4.97	61.50	84.82	4.02	28.82	59,102

## VII.—The Scope for Municipalisation of Industries in India.

A just desire for adding to the revenue resources of the municipalities without adding in any way to the burdens of taxation, and a concern for the interests of the labour force engaged on the industry as well as for the claims of the consumer for a reduction in the cost of living are among the most important considerations making for municipalisation. We have instanced for Bombay the case of the cotton mill industry as ripe from every consideration for municipalisation, and we might add for Calcutta the case of the jute industry as being even more ripe than the cotton mill industry of Bombay for municipalisation. For in the case of the jute industry, the enterprise is so entirely foreign that the introduction of Indians as even middlemen is unwelcome. And the irony is deepened by the fact that the greater share of the capital invested in that industry has, since the war, come to be owned by Indians. The total capital invested in that industry is, according to the latest statistics available, some 21 crores, and the profits of the industry at even 10%—a most modest estimate—would be over 2 crores.\* With a conversion loan of 6-8% given in exchange for the shares in the present jute companies, the Calcutta corporation could well hope from the surplus remaining after paying the loan charges to derive a net revenue of about 25 lakhs for itself, if not much more.

In Cawnpore, the leather industry is similarly ripe for municipalisation, while Rangoon could be made an excellent centre for the rice-milling industry. Each of these municipalities would derive from the municipalisation of their principal local industry a handsome profit running into several lakhs.

Other businesses that should, in our opinion, be municipalised, or which the municipality might profitably undertake even without a wholesale muni-

(Continued from previous page).

1919	Rs. 13.06	Rs. 131.00	Rs. 86.37	Rs. 5.00	Rs. 29.64	Rs. 60.778
1920	" 16.53	" 153.00	" 170.00	" 6.72	" 29.64	" 60.634
1921	" 15.39	" 140.00	" 177.00	" 7.82	" 30.26	" 62.763
1922	" 7.27	" 85.40	" 132.00	" 8.19	" 31.17	" 65.521

The last two or three years are alleged to have shown a progressive decline; but that is due, if true, to temporary factors which are perfectly easy to be remedied, so that the net surplus to the municipal treasury from the municipalised industry may reasonably be taken to be Rs. 1 crore per annum.

* The profits of the jute industry are detailed in the marginal table. They aggregate Rs. 68.33 crores in 11 years or Rs. 6.21 crores per annum. Thanks to heavy writing off of depreciation accounts and large reserves built up out of capital, the real profits of that industry are even greater, and the true financial position sounder than that of the cotton industry on the Western coast. The commission payable after the dividends have been paid might not fall much short in the jute industry also of Rs. 1 crore for the city of Calcutta mills.	Year	Profits
	1913	Rs. 2,45,97,553
	1914	" 96,18,694
	1915	" 4,21,48,960
	1916	" 6,48,71,041
	1917	" 4,23,92,573
	1918	" 12,29,25,767
	1919	" 11,64,53,696
	1920	" 12,53,82,066
	1921	" 4,95,86,331
	1922	" 3,58,35,863
	1923	" 4,95,33,808
	TOTAL	" 68,33,46,352

cipalisation of the entire business, may be found in Insurance work of all kinds, with particular emphasis on industrial insurance; banking for the city. The Municipality might also undertake the food-purveying industry, including all the auxiliary businesses right upto the maintenance of a municipal lodging-house, hotel or restaurant and refreshment shops; as also transport business including the carriage of goods as well as passengers on all roads by all forms of conveyance directly by the municipal agency. We have spoken of each of these in the appropriate place, and we might here only add that properly conducted, these industries or enterprises are likely to result in the most substantial profits, at the same time rendering considerable service to the community at economical rates.

If municipal domain, particularly the industrial and trading section, were fully developed, the contribution to the municipal revenues out of the net profits of such enterprises would be so great that the need for maintaining the present questionable methods and sources of municipal taxation would disappear. The needful revenues would be supplied by the surplus of municipal enterprise; the scope of municipal functions would be proportionately increased; and the amenities and comforts of city life, in spite of all the dangers of modern industrial town life would be improved in proportion.



## CHAPTER VIII.

### SPECIAL SUBVENTIONS FROM THE CENTRAL GOVERNMENT.

#### 1.—The Object and Nature of Special Subventions from the State Government.

Purpose of  
Government  
Grants.

A branch of the Municipal revenue, of considerable importance in India if not in the other countries of the world, consists of special subventions paid from the Central Exchequer to the Municipalities, usually in aid of certain specified objects. These objects, like Education or Poor Relief, may be primarily of local importance, and may be comprised in the elementary duties of the Municipality; but if the Central Government desires these duties of the municipality to be carried on in a manner and on a scale incommensurate with the ability of the Municipality, for reasons of the national rather than of strictly municipal importance, it is but right and proper that the State should pay for this extra benefit intended to be afforded to the community at large. In the country most advanced from a municipal standpoint,—viz. Germany—the State subventions aggregate 20% of the total ordinary income of the municipalities; and the purposes for which the State makes these grants are usually: more efficient Police, more extensive and intensive Education, more satisfactory administration. In the British Boroughs, about 16% of the total municipal revenue is derived from such special subventions, usually for objects and purposes similar to those mentioned in the case of Germany, though British local subventions include handsome amounts for road improvements also. In American cities, special subventions play a very restricted role in the revenues of the municipal authorities, one authority on that subject estimating the total income of American municipalities from the State subventions and the Municipal Enterprise put together at 12% of the total municipal income.\* In this country, as the Table of Municipal Revenues on p. 78 *ante* shows, Rs. 94,03 lakhs out of a total real Municipal revenue of Rs. 12.82 crores are special subventions from Government, or something slightly under 8% of the total revenues of municipalities; and if to that we add the 8,77 lakhs of contributions from the Local Funds of the Provincial Governments, and Rs. 4.27 lakhs of other grants and contributions, we get a gross total of municipal revenues from grants of Rs. 1,07.07 lakhs out of a real revenue total of Rs. 12.82 crores. This is, indeed, not an excessive proportion; and the Indian municipalities can, on this showing, be scarcely said to have shirked their normal burdens. If the activities of the Indian cities are rather restricted and uninspiring, the fault therefore is not so much of the

\* Cp. Munro; Op. Cit. pp. 406-7.

stinginess of these local institutions; their resources are admittedly restricted; their people are naturally either too poor, or already too heavily burdened, (as in the case of the Presidency municipalities) on account of the central and provincial taxation to be reasonably expected to widen the scope of their functions from their own powers and activities. These powers and activities are themselves restricted, unduly, we think; and the expectation of a further increase or expansion of activities seems to be unbalanced and inequitable, however desirable such an extension of activities may be. The real blame, therefore, for a restricted field of municipal activity, in so far as finances are to be held as the determining factor, ought to be assigned to the policy of the Central Government, which is unable on account of its own more extravagant commitments, to find the necessary funds for municipal expansion, or to leave to municipalities sources of revenue which might impinge on its own income.

As already observed, the *raison d'être* of these special subventions, wherever they exist, is some special obligation particularly thrown on the municipality by the Central Government in pursuance of a general policy of public or national development, e.g. extension of educational facilities of all sorts and grades, or the provision for destitute soldiers disabled or unemployed owing to their sacrifices in the War, or the institution of a general scheme of compulsory Social Insurance. All these are obligations of a national rather than of a municipal character; and the municipality owes no duty to the state or the community to undertake these functions at its own unaided expense. Of course, the purely municipal community might also benefit from attempts at discharging the community's moral or social obligations; and to the extent that the purely municipal community benefits from such endeavours of the State, it would be both right and proper that the Municipality should be made to bear its own share of the burden. In that case and to that extent, the powers of taxation or the means of earning or raising an income open to the municipality will have to be widened or increased. But in so far as these duties thrown on the Municipality compel that body to cater for a section of the community not strictly municipal, the State is bound to offer a subvention from its bigger purse and as representative of the community at large. The consideration of this special subsidy cannot, should not however, be made an excuse for introducing that degree of state control over the municipal finance which, in the long run, will prove fatal to municipal autonomy. The State, we freely concede, is entitled, as trustee for the entire nation and in virtue of the Special grant it has made, to see, not merely that the monies of the grant are applied strictly to the objects for which the grant was made; but also that the total municipal outlay on the particular service is such and so made as to achieve most effectively the object in view,

Special obligation in General Interest.

But the supervision or control of the State, derived from this source, must not extend to a wholesale supervision and control of the entire realm of municipal Finance; and the best method by which this rather conflicting demand can be met is to insist upon an audit of the municipal accounts in so far as they relate to the particular object subsidised by the State to see that the monies have been spent as desired and intended by the State, and by laying down regulations, like the Grants-in-Aid codes of regulations applying to the Schools and Colleges in this country, according to which these subventions would be granted or withheld. In Britain, such codes are really of departmental manufacture, prepared by the several departments of the Local Government Board, or the Board of Education, or the Public Health Board, concerned; but the Regulations so made cannot be binding unless they have been submitted to and approved of by Parliament, unless they have, in the first instance, been authorised to be so prepared and submitted by the main Act of Parliament relating to the particular subject. In India, the absolute supremacy of the central or its delegate the Provincial Government, makes these codes of Governmental manufacture generally exposed to suspicion; but the growing influence of democratic sentiments in the legislatures of the various provinces will, we may hope, help to eradicate these suspicions, and at the same time so improve the codes as to make these subventions grantable rather on the effectiveness with which particular objects have been served by the municipality, than on the amenability of a municipality to the sweeping control of the Government and its departmental chiefs.

## II.—Conditions and Limitations of Special Subventions.

Regulations  
Governing the  
Grants.

By implication, if not by express reasoning, we have already indicated the conditions and limitations of these subventions; but for purposes of clearness, let us, in this place, repeat and summarise the conditions on which, in our judgment, the Government of the State ought to make these subsidies and on which the municipality may accept them:—

(1) Special  
Object.

In the first place, there must be some special object in view. It is not necessary that the special object should be an entirely new obligation, totally unfamiliar to the municipal administration. Existing obligations of the municipality can be very considerably extended in scope and benefit, if the central government should make handsome contributions to the forwarding of such accepted obligations; which, however the limited resources of a municipality do not permit that authority to discharge in the same manner as it would like, as the interests of the nation as a whole demand that it should be performed.

(2) Tests for  
fulfilment.

Given the special object, old or new, like territorial organisations for national defence based on the municipal units, the State must define the ob-

ject clearly and lay down the conditions or tests on which the fulfilment of such an objective by the municipality will be judged. Without such conditions being laid down in advance, it would be impossible honestly to administer such grants. They would degenerate into a scramble for looting the central treasury; and some of the worst evils of democratic governments and institutions will be intensified. Of course, these conditions will have to satisfy the double requirement of efficiency in service and justice as between the several municipalities in the distribution of funds; and to see that the Regulations-making authority does not err on the side of leniency or stringency, it would be best to have these rules made subject to the approval of the Legislature.

After these conditions for the distribution of the grants have been elaborated, and the distribution of the Funds resolved upon, the distributing authority will have to see not merely that the funds have been justly, adequately and efficiently distributed, but that a proper account is rendered of the expenditure of these funds, as well as of the total expenditure on the objects concerned,—the last in order to see that the main objective is duly realised. For a general survey of municipal activities in these aided departments, it might be as well to insist on a public audit of the municipal accounts, at least in so far as they relate to such aided departments and subsidised activities. And if this measure will help to discover shortcomings, if any, only after they have occurred, the Government Departments concerned may provide against this eventuality by a staff of Inspectors told off to supervise the doings of the municipal agents and authorities in the course of a year at any time, so that even while the work is going on, its defects, if any, can be brought to the notice of the proper authority in time for correction. Inspection of the aided departments, and audit of the accounts of these aided departments are the most satisfactory expedients for the efficient service of the particular objects.

We may add that the allocation of the particular amount to the particular municipality would be a source of endless trouble and heart-burning, if rules of a clear-cut and unambiguous character are not laid down in advance. Thus take the case of special subsidies for the extension of the municipal educational facilities. These subsidies may be made either according to the population of the city, or according to the number of pupils in the municipal schools, or of the school-age population, or in accordance with the general taxable capacity of the city, or according to the discretion of the grant-making department. The last, of course, is hardly a rule; and the last but one, too, is not strictly an objective condition. It is suitable, if at all, in the case of those entirely new functions thrown on a municipal authority,—e.g. the support of local militia raised on a conscript basis by the state,—in whose case sufficient experience is not available to afford some more satisfactory and objective basis for the appor-

Accounting  
for the Grants.

Basis for making Grants.

tionment of the central grant. And even such a basis can only be necessarily of a temporary character.

Advantages  
and Disadvan-  
tages,

The special subsidy system is advantageous in all poor countries, where the resources of the municipality are unavoidably limited, and where consequently grave objects of serious national import would run the risk of being neglected, unless the state as a whole comes to the rescue of the local authority. But precisely in such countries is the danger great of the state utilising such powers as a lever to add to its own might and prestige vis-a-vis the municipality. We do not consider this to be at all a desirable consummation; and hence we would emphasise this as a great and unavoidable limitation of the grant-in-aid system of municipal financing. No precaution can be too great against such an eventuality; and the enthusiasts of municipal reconstruction would do well to guard particularly against such untoward results.

### III.—Municipal Autonomy and Special Subsidies.

Effect on  
Municipal  
dependence,

The grant of special subventions to the municipality is fraught, as we have just observed, with very serious danger to the independence and autonomy of the municipal authority. It remains with the subsidising authority as to what objects will be subsidised; as to how the subsidy shall be expended; as to by what authority or special machinery in the municipality the subsidised expenditure will be supervised. This is, in our judgment, intrinsically inimical to municipal autonomy; and as such we would unhesitatingly condemn such features, and discard such aids, did we not feel certain that it is possible to circumvent such a tendency. The just authority of the subsidising authority we have no intention to question or deny. All that we ask for is that in demanding state subsidies for particular objects, the advocate of municipal activities should not barter away the autonomy of the municipality. The subsidising authority may demand that the particular expenditure needs a special board or committee of the municipality; but it need not demand how that board or committee should be constituted; it must not ask for special representation of its own on that board; it cannot insist upon the right to appoint its own officers for the carrying out of those particular functions. The latter would be all an invasion of the proper province of the municipality; and the making of a grant does not justify such an infraction of the rights of the local authorities. Similarly, it may be quite usual for the grant-making authority to select its own subjects for special assistance by means of such grants. But that ought not to preclude the municipality altogether from making its own suggestion for particular assistance in specific cases. Of course, the object so assisted must be of national or general importance, and not exclusively of local benefit; but the national or general character of a particular object may not have been perceived by the state as such; it may be reserved for a pioneering and enterprising municipality to demonstrate the

national benefit of particular activities, e.g. special exhibitions during a Baby Week; and in such instances, the State would do well not to reject the request merely because it cannot be made of universal application in municipalities. At most, the state can and may treat such requests as a case for special grants; but it must not, in any event, reserve to itself a monopoly of the selection of objects on which alone special grants can be made. Finally, though the state would be the sole eventual judge as to the amount of the grant in each particular case, subject to such general conditions as may have been laid down in advance in the Grants-in-Aid codes, the Municipality, too, ought to be given some chance of showing what its real needs are, and how in fairness such needs make a case for special treatment.

#### IV—Special Grants and Budget Equilibrium.

There is one condition of general importance in municipal finance, which we feel it imperative to mention in this connection specifically, for fear of its being overlooked otherwise; and that is, that special subsidies should never be encouraged for making both sides of a municipal balance sheet balance. Government may, we think, offer special guarantee for the interest and repayment of municipal loans, incurred for purposes of special benefit to the city—e.g. a great scheme of slum reclamation; and such a guarantee would normally operate as a potential grant to the municipality in making its ordinary revenue and expenditure equilibrate. But there is an essential difference between a grant made to enable a municipality to wipe out a revenue deficit, and a grant made by way of a guarantee for a particular loan, which may never materialise for all that the state and the municipal authorities know to the contrary and which, even when it does materialise, will be in the nature of a special subsidy for a strictly defined object. The grant for an ordinary, recurrent revenue deficit is demoralising both to the subsidising and to the subsidised authority; and we cannot deprecate it too emphatically. If the resources of the municipality are so poor as to condemn it eternally to a state of chronic deficit, that would be a case for the wholesale reconsideration of the total resources, and for their improvement, or expansion if necessary. But there is and can be no reason justifying a state in making regular or repeated grants to a municipal corporation merely to enable it to tide over a revenue deficit. And hence it is, that we would object to that tendency in municipal finance in this country, which habitually disposes the municipal authorities to ask for special consideration because their revenue resources are such that they can never satisfy their municipal conscience, if they remain strictly and entirely within the limit of those resources. We think, the case is irresistible for a radical reconsideration of the fundamental principles of local finance, and particularly of the municipal sources of revenue; and the reconsideration should be so carried out as to avoid entirely the need for any grant from the Government, which would be spent on making good the revenue deficit.

## CHAPTER IX.

### MISCELLANEOUS MUNICIPAL REVENUES.

#### I.—The Unclassable Income of Municipalities.

Miscellaneous  
Receipts.

The miscellaneous and unclassable income of the Indian municipalities consists of dues and receipts under special Acts, giving police or other powers of a specific nature. In the Bombay Municipal Budget, for example, there are miscellaneous items in every main group of revenue which it would be impossible and unprofitable to separate and class apart, and give details of. In the smaller municipalities, these receipts are of the nature of dues or fees under special acts of the Legislature; and as we have already spoken of the Fees and Fines in a previous chapter, we need not here elaborate on that subject. The income of all the municipalities under the several acts aggregated in 1921-22, 14.9 lakhs out of a total real revenue of 12.82 crores, or slightly over 1 per cent.

#### II.—New Taxes for Municipalities.

Need for  
Additional  
Sources  
of Revenue.

Municipal authorities, like the provincial as well as the central authorities, have been for a long while past in search of additional sources of income to keep pace with the growing requirements of the civic expenditure; and it may be as well to notice in this connection, the experience of other countries with forms of taxation, which have not yet been tried in this country. But before we proceed to a review of the possible additions to the municipal tax-system, we must repeat our firm conviction that no substantial aid to the municipal revenues can be obtained from most of these potential resources; and that if the demands of a growing civic consciousness are to be met adequately, the only alternative is the one we have already proposed. The Municipalities, must either include the personal along with the real property in the range of their taxing jurisdiction; and so add substantially to their income from these compulsory contributions; or they must so extend and improve the trading and manufacturing enterprise, as to obtain all the additional requirements of municipal expenditure from that source. The last, in our opinion, is the only real, permanent and satisfactory solution; and its perfection would have been achieved only when all taxation is abolished, and the totality of municipal revenues comes to consist of the profits of municipal enterprise exclusively.

Possibilities  
of new Tax-  
ation.

Meanwhile, however, while taxation remains the mainstay of all forms of public finance; while society is and consents to be based on the fundament of private property and is motivated by the desire for personal gain, it is necessary to make some observations regarding the possibilities of additional or extra sources

of taxation, which could make the local authority keep pace with the growing needs of the civic population. Putting together the taxes of all countries, we might say that the yet untried taxes are :—Taxes on Mortgage recording, or bond registration ; classified or graded property tax, together with a Local Income Tax, or a Trade and Business Tax, Poll Taxes, Public Service Utility Corporation Taxes, Special Assessments or Betterment Taxes, and taxation of advertisements and amusements. Not all these taxes are either unknown or untried altogether. Nor can we say positively anything at all satisfactorily regarding the yield or incidence of any of the untried taxes. The mortgage taxes, imposed by means of registration charges, on real as well as on personal property mortgages, may have a future in commercial cities like Bombay or Calcutta with their considerable annual issues of Debentures of Joint Stock Corporation. But we doubt if the yield from such a tax would at all be considerable in an Indian city, altogether apart from the larger question if such a tax, even when authorised, would not be easy to evade ; and whether the state government would be at all inclined to surrender such a tax to the local authority, if there is any reasonable hope of substantial yield from such taxes. Similarly the taxation of advertisements and amusements is being tried already as an aid in Provincial Finance ; and it is more than doubtful if the municipality would be suffered to make an inroad on this item for its own particular benefit. Bill Boards in America, are estimated to bring to their private owners an income of a million dollars per annum in the single city of New York. These represent a form of unearned income, which may well be utilised for local taxation to any extent, particularly as the benefit of such displays of advertisements is unavoidably local. There are, however, considerations of local aesthetics which are supposed in many quarters to militate against the demands of the advertiser. Certainly, we think, it would be a needless and unforgiveable mutilation or defacement of nature, if the flaring, staring bill-board were permitted in every place where there was any chance of a crowd assembling either for business or pleasure ; though in the former case, like markets, docks and even theatres, it may not be very objectionable to permit the erection of bill-boards, particularly if the municipality is allowed to share in the profits arising from advertisements displayed thereon. But how much can one expect to obtain from such a source ? As regards Poll Taxes, there is a tax on pilgrims to Benares, the holy city of India, which is collected along with the Railway fare ; but apart from such special extenuation, we can hardly call it a justification even in a city like Benares. Poll Taxes are bound to be offensive, and the municipality would do well to avoid them. They are, in this country at least, associated with memories of oppression which it would be most impolitic to revive even in such indirect ways as these. Property and Income Taxes, we have already spoken of, as also the taxation of the Public Utilities Corporations ; and need not add to our observations on that point in this place. Suffice it to remark, "that in



the absence of a well-devised comprehensive system of municipalisation, such taxes would be as equitable as they would be productive. Taxation of trades and business, too, we have already spoken of, as also of Special Assessments; and here we need only point out, even at the risk of some repetition, that there is a special justification for such special assessments or betterment taxes. For a public improvement that directly enhances the value of a property, it cannot be unfair to ask that property to bear a fair share of the burden of that improvement. Indian cities, however, do not favour this mode of paying for civic improvements, which has found considerable favour in American cities, though even there the experience is by no means uniform. While New Denver and Kansas city have levied and collected large sums from this source without difficulty or litigation, Boston, on the other hand collected in Special Assessments in 1895/1905 less than a quarter of the total amount levied.\* The *Modus Operandi* for Special Assessments is usually to apportion the entire cost of a given improvement among the adjacent property-owners, payable in lump sum or by instalments or by allowing the Municipality in the first instance to buy out the property owners situate in the area sought to be improved; then carry out the improvement; and thereafter resell the lot improved and bettered, at higher rates so as to pay for the cost of the improvement or as large a portion thereof as may be practicable. In this country, if the expedient is tried, as it should be in the larger towns, the mode of acting favoured by the Presidency Towns Improvement Trusts will probably afford the best precedent for the local authority to imitate and amplify. But as the very name of the tax implies, it can be applied only when and where specific improvement capable of monetary appraisalment and expression, has to be made. It can be of no use in those other directions of expanding municipal activities, wherein, though there may result eventually immense benefit, the benefit would from the very nature of the case be impossible to express in terms of pounds, shilling and pence. Thus, for instance, additions to educational facilities, to hospital provision (apart from the Insurance schemes) &c. would be naturally incapable of monetary appraisalment and expression; and as in their regard, the need for extra revenue is imperative, the Indian cities can scarcely rely on the special betterment tax for making up the deficit, whatever may be the latter's possibilities.

Possibilities of additional, substantial revenues from these new or untried taxes are thus very effectually limited. As a great authority on Municipal Finance has wisely concluded his study:—

“But all of these new sources put together would hardly yield the equivalent of an additional mill on the dollar of property assessment. If city revenues are to keep pace with growing expenditures, one of two things must happen: either new taxes, such as the trade tax, must be laid in

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\* Cp. Munro: Op. Cit. p. 438.

addition to the existing taxes on real property, or the rate of property taxation must be moved up year by year. The latter is the line of least resistance, and that is why American cities are following it''\*

In Indian cities, the line of least resistance threatens to be a steady starvation of municipal activities in preference to a raising of the municipal income or the improvement of the local resources in revenue; and we shall leave it to the discerning reader to say what that eventuality would mean to the public life of this country.

### III.—Local Option in Taxation.

In concluding this study of the tax revenues of municipalities, there is a subject of considerable fundamental importance, on which we should like to say a few words. It is admitted that not all municipalities are situated in the same identical circumstances in the matter of revenue resources. And yet, by general laws passed by a given legislature, all municipalities in a province are expected to be content with pretty nearly the same sources of revenue. But conditions are not at all similar even in a single province like Bombay. Why should the varying conditions of Gujerat and of Maharashtra be not utilised differently by the civic populations of these natural divisions of the Bombay Presidency? Why should all the towns, with the doubtful exception of the presidency cities, be drilled and cast into a common mould? Experimentation in local taxation is not unlikely to reveal hidden possibilities, which it would be as much to the local as to the governmental interests to authorise and encourage. Even if complete civic autonomy be not conceded as being disintegrating and demoralising—we assume such a possibility only for the sake of argument—there is no reason why the legislature granting the constitution to municipalities should not content itself by merely describing the general field of taxation open to the municipal authority, leaving it free to experiment in any particular direction it chooses?

There are two reasons, commonly given, why municipal autonomy in practice cannot be conceded in this matter of municipal revenues. It is perfectly true that local discretion in taxation might secure a better distribution of the burdens of municipal government than the cast iron prescription given by the provincial or central legislature. We may also concede the fact that experimenting in municipal finance might bring about results which prove of the utmost value in the reconstruction even of the national financial system. The mere break in the dead level of unrelieved uniformity may be an argument for such concession with many ardent reformers of the municipal structure. But even if this concession ever materialises, the state will have to

Limits of  
Municipal au-  
tonomy.

Reasons a-  
gainst Local  
option.

\* Munro Op. Cit. p. 443,

see that the permission to experiment in municipal financiering does not jeopardise the rights of non-residents, which uncurbed municipal enthusiasm is likely to be betrayed into. And freedom to a municipality to shape its revenue system as it likes, though productive of considerable benefit, must not, be exercised at the cost of other municipalities. Low taxation of business and industry, of property and income, may quite easily operate in practice as an attraction in one municipality in preference to another; and hence the central authority legislating for the municipalities has to lay down the maximum and minimum rates of taxation in given instances, so that such a spirit of unhealthy rivalry may not crop up in the municipalities of the same region. And while we are not afraid overmuch of the recklessness of municipal experimenting, we cannot but recognise the possibility of undue party feeling manifesting itself in these matters, especially in highly municipalised communities. The central authority cannot permit the interests of minorities to be overlooked, and that danger seems to be so considerable that a complete freedom of financial experimentation does not at all seem likely as things stand to-day

## CHAPTER X.

### MUNICIPAL BORROWING.

#### I.—The Volume of Municipal Indebtedness.

In dealing with the financial position of the Indian cities (ante p. 340-1) as well as in speaking of Municipal Enterprise (ante p. 433 et seq.) we have already had occasion to remark on the growth and volume of municipal indebtedness. Here we may repeat a few figures to give an idea of the comparative indebtedness of local municipal authorities in the principal countries of the world. General Review of Indebtedness.

The total of the Indian Presidency Municipal debt as given on p. 340-41 is Rs. 23.70 crores. These figures, brought up-to-date with statistics as late as available, would make the total indebtedness of the four chief towns at the end of 1924-25 in the neighbourhood of 30 crores, Bombay leading with close upon 20 crores of municipal debt. Some Statistics of Debt : India.

In the United Kingdom, according to the Statesman's Year Book for 1924, the outstanding Local Debt of England and Wales amounted to £ 544,185,000, in 1919 (including £ 49,807,000 outstanding in respect of loans taken over or raised by the Metropolitan Water Board, and £ 28,340,000 outstanding in respect of loans accounted for by the Port of London Authority); that of Scotland to £ 61,888,000, in 1918. The Local Debt of England and Wales in 1920 was £ 556,000,000 of this £ 229,095,390 was accounted for by the four or five principal enterprises which yielded a net profit of £ 7,950,304, according to the Municipal Year Book for 1924, after paying all working expenses as well as interest charges. Obviously, the municipal funds and borrowed monies are very creditably invested in Great Britain. United Kingdom.

In the United States, Public Enterprise of the Municipalities has not gone the extent that it has done in European countries, and particularly Great Britain or Germany. Nevertheless, the amount of local indebtedness, which, before the American Civil War, was remarkably low, has increased in that country quite as fast as, if not much faster than in European countries. The following figures represent the growth of local indebtedness in the United States.

United States. The amount is, of course, exclusive of the indebtedness of the Federal Government of the United States proper. Total Indebtedness of States and Subdivisions.\*

Division of	1890	1902	1912	1922
Government	(The figures are in thousands)			
States	£ 211,210	230,369	345,942	935,543
Minor Divisions	925,989	1,630,069	3,475,954	7,761,396

It must also be remarked that as that country, currency has not depreciated to anything like the extent to which it has depreciated in European countries, the burden of debt is much more considerable there. In countries where deliberate or forced inflation of currency has brought about a virtual extinction of the debt,—e.g. Germany or Austria—the beneficiaries of such a process have been the Central, National, rather than the Local Municipal, governments. The Municipal Debt proper in the United States was, in 1919, for “227 cities of over 30,000 population nearly 4,000,000,000 or about £ 113 per capita” gross, the net indebtedness being £ 2,726,000,000 or £ 78.63 per capita.†

## II.—Reasons for the Increase of Local Indebtedness.

Altered Con-  
sciousness  
of  
Civic Duty.

This phenomenal rise in the volume of Municipal or local indebtedness demands some explanation. It is not, however, far to seek. The growth of local consciousness, the increasing perception of local obligations, the deepening realisation that the reconciliation of the conflicting tendencies of democracy and nationalism can only be achieved if we enhance the importance of the local institutions, and widen the scope of their functions, are among the principal reasons accounting for this growth in indebtedness. For local expenditure has increased in conformity with this increased consciousness of civic obligations; and whenever the local democracies have found it inconvenient to defray a given item of local expenditure from the current resources of the local authority concerned, it has found recourse to borrowing, the safest, if not always the soundest, expedient. Of course, there may be minor contributory causes or influences at work, bringing about collectively this increase in local and municipal indebtedness; and amongst these, we must notice the decline in the purchasing power of money,—a common scapegoat for many an ill of modern governments and of their delegates,—the growth of population, the tendency to Diminishing Returns from administrative effort as the municipality grows in size and activities, the laxity or even corruption of the municipal service in some cases, all contribute to swell the volume of indebtedness. But the real, essential, universal explanation, in our opinion, for this remarkable growth in municipal indebtedness is to be found in the altered

\* *Op. Intz: Public Finance* p. 502 et seq.

† *Op. Problems of Public Finance* by Jensen, p. 465.

angle of vision as to the place of municipalities in the public life of the country, and particularly as to the possibilities of municipal enterprise both as regards the efficiency of service as well as the profitability to the municipality itself.

Of course, the increased expenditure, resulting from the altered consciousness of civic responsibilities might have been defrayed from taxation or current revenues instead of from borrowed funds. The preference to loans over tax-increases is the inevitable result, in our judgment, of the common weakness of all democratic institutions. It is not quite true to say that municipal financiers have not perceived the wastefulness and burdensomeness of borrowing in preference to taxation. Where municipal financiers have deliberately planned out a programme of borrowing definitely for the purpose of adding to the amenities and advantages of civic life, as in Germany, borrowing was necessary and inevitable, owing simply to the vastness of the amount needed; and the course is, in result, more than justified owing to the handsome surplus in revenues derived from the profits of the enterprises so undertaken out of these borrowed funds. But very often, municipal financings, even where they have grasped firmly the basic principles of local financiers (which is hardly possible to say of those who have conducted hitherto the financing on behalf of the municipalities in this country), have preferred to pay an essentially revenue deficit out of borrowed funds in preference to taxation, owing to their short-sighted desire to please the local demos, or at least the most influential section of voters, viz. the Property owners. Democracies are always anxious to postpone the evil day; and by giving a preference to borrowing the place of the increased taxation, which would generally fall on the property-owning voters, they have succeeded in evading their immediate responsibility. This influence of the property owning voter would steadily diminish, if the municipal financier could realise the significance of income earning municipal enterprise. In American cities, moreover, the crime of the property-owners is very much deepened, since, as Prof. Adams has shown, the bulk of the borrowed funds are spent, and were intended to be spent, on the improvement of property, by erecting showy public buildings, laying out roads and parks, and playgrounds, and affording other such evidences of a thriving community, with the definite and deliberate object of attracting new population to such thriving centres. If new population appeared on the scene, the value of the landed urban property would unavoidably increase; and the property owners will benefit by the increase in land values, without any exertion on their part to bring about such an increase. They have benefitted in the first instance, resorting to borrowing in stead of adding to taxation; and they have benefitted once again by the improvement in land values, resulting from the outlay of these borrowed funds. The burden of taxation will, indeed.

Taxation vs.  
Indebtedness.

grew in course of time; and perhaps more than in proportion to what it would have been, if, initially, had taken the heroic step of adding to the tax-burden as far as possible for carrying out supposed or real works of local improvement, instead of resorting to borrowing. But in the interval, the speculating real estate owner would have completed his operations and netted a handsome surplus at the cost of unborn generations as well as his contemporaries in the civic population.

Influence and  
Limitation of  
Property-  
Owners.

While we deprecate the tendency of property-owning influence in municipal financing in favour of borrowing in preference to adding to the tax-burdens, we must recognise that such a tendency has been held in check necessarily, in the older countries, and particularly in our own. The pernicious influence of property-owners was either wanting in a clear consciousness, until quite recently, or was more than counterpoised by the checks of the local, Governmental or Provincial authorities, who had and still have statutory powers to restrict the growth of local indebtedness. We shall examine in a later Section of this Chapter the bearing of these powers on the growth of municipal consciousness, on the development of local autonomy. Here, however, we must note, that while we cannot approve entirely of the borrowing on account of municipalities that has taken place hitherto,—while we feel that the objects that have so far attracted the lion's share of the borrowed funds are either not the wisest selection or at least are such that could have been easily met out of a much lower cost; we cannot but admit that borrowing on account of the Indian municipalities has in the past been for objects and on a scale that could hardly have been met out of tax-increases.

Checks and  
stimulants  
to  
Borrowing.

But curiously enough, in Indian as well as in other municipalities' borrowing has actually been stimulated by the very steps taken to check it. When it was found that municipal expenditure was incessantly growing, the state authority, legislating for the municipality, tried to control that expenditure, and incidentally to check that borrowing by laying down definite limits of such expenditure, or at least by prescribing limits to the amount that could be borrowed and correlating the same to the taxable capacity of the municipality. All provisions limiting the maximum rates of taxation imposeable by a municipal authority must be considered to be of this nature; and these have had a direct influence on the increase of indebtedness. For the forces affecting the increase of public expenditure in municipalities have been too powerful to be restricted by such measures; and, since the income obtainable by means of taxation tends to be restricted by such provisions in the constituent Acts, the Municipalities had no alternative but the agreeable one of borrowing "As a river which is dammed at one point quietly cuts its way through at another, so the tendencies towards greater expenditure, being checked by the tax limitations,

have forced an expansion of public debt.\* "This was written in respect of American cities but we may quite legitimately apply to the case of the Indian cities as well. The experience drives home irresistibly one sterling lesson in Municipal Finance: If we would have the Municipal Finance to be properly managed, we must not impose needless restrictions on the municipal financier or the municipal legislative authority, which is the supreme power in the administration of the municipality.

In the enumeration of the influences affecting the growth of municipal indebtedness, we have so far taken no notice of the modern facilities in credit mobilisation which, because they work obliquely, are not the less a potent factor in stimulating borrowing by public authorities. Of course, the existence of such facilities as a highly developed and organised money-market offers is not the basic, essential cause of borrowing. It is only a facility. But in so far as borrowing has become ever so much easier, municipalities like other public authorities are ever so much more ready than before to resort to borrowing. In India, too, though the indigenous money market is not developed quite as much as it might be for the better nurturing of Indian industry and commerce, for first class municipalities and local authorities, facilities exist in as good a degree as in the Western countries for such local public borrowing; and though the Government of India even now desires that all public and semi-public borrowing should be done through one central authority,—the Government of India,—permission has been granted to more than one local authority to approach the money market directly on its own accord,—a permission which is being increasingly taken advantage of, and borrowing is taking place in non-Indian as well as in the Indian money market.

Credit Facilities and Debt Increase.

### III.—The Objects and Purpose of Municipal Borrowing.

The foregoing discussion has indirectly indicated the main objects and purpose of municipal borrowing, and in a previous section we have detailed these objects that apply to the case of the Indian municipalities. On the whole, Municipalities have borrowed for purposes of local benefit, whether that benefit is measurable in terms of money or not. In the latter category, we may include all those objects of local benefit, which, like Education or Hospital provision, do not result in direct monetary benefit but which are nevertheless of sufficient importance, to be carried out, if unavoidable and necessary, even from borrowed funds. Capital expenditure in the case of Education may have to be incurred for the provision of school-buildings, libraries and apparatus or furniture necessary for these institutions; and for this purpose, unless the central Government makes a special grant by way of a free gift, the municipality will ordinarily be unable to

Raison d'être of Municipal Indebtedness.

\* Cp. Lutz: *Public Finance* p. 599 In America, the exemption of Interest on the Local Debt from the Federal Income Tax also acts as a stimulant to Municipal borrowing.



provide from its current revenues, and hence the need for borrowing.\* In the case of drainage and water-works constructed out of borrowed funds, the unproductiveness of the object is concealed effectively by the special rate or tax imposed to make good the cost of this debt; while the debt incurred for local transport facilities and electric or gas plant is more than supported by the income directly obtained from these works. Altogether, however, in the municipalities of what might be called the newer countries of the world the existing indebtedness has not been incurred so much for purposes directly or primarily productive of a money return to the municipality, as for providing those services of primary importance and necessity of civic life, which were either neglected or non-existent in the early ages of municipal consciousness.

Unproductive  
Borrowing in  
Municipalities.

The purely unproductive borrowing is also not unknown in municipal finance, though the existence of statutory restrictions and the objects and amount of borrowing by the Municipality under the central or provincial government rendered such a course far more difficult in this country. The subjoined table shows the ordinary deficit of the Bombay Municipal Corporation, from 1865 to 1923-24 to be aggregating Rs.1,16,69,683; while the revenue surplus against the same aggregates for the same period Rs.1,42,35,504. The surplus is, accordingly, greater than the deficit on the whole; but the following statement of the expenditure of the aggregate borrowings of the Municipality of Bombay will though repeated, serve to give an idea of the purposes for which borrowed monies have been employed in the course of these sixty years in one of the most flourishing and active municipalities of India:—

Particulars of the loan funds raised by the Bombay Municipality between 1865-1924.

	Rs.
Amounts raised .. .. .	14,51,10,500
Net amount available for expenditure .. .. .	14,12,15,552
Amount spent on:—	
General Superintendence .. .. .	20,10,404
Water Works .. .. .	5,90,35,404
Primary Education .. .. .	11,42,919
Public Health .. .. .	32,55,436
(Including Rs. 20,00,000 on account of Plague)	
Hospitals & Med. Relief .. .. .	26,77,690
Street Cleansing and Sanitation .. .. .	35,36,782
Roads & Overbridges .. .. .	1,79,58,125
Drainage & Sewerage .. .. .	2,85,45,536

\* In the United States, particularly in the states west of the Alleghany Mountains they have followed the policy of allotting huge tracts of farm lands to the state for the specific purpose of defraying Educational expenditure of a capital character; and the sale proceeds of these have therefore been used for this purpose, avoiding any need to borrow.

Rs.

Fire Brigade .. .. .	7,76,963
Building Regulations .. .. .	17,292
Gardens & Open Spaces .. .. .	26,87,059
Markets & Slaughter-houses .. .. .	39,86,395
Total Amount expended on Works upto 31-3-1924 .. .. .	12,55,63,506
Advances against new loans .. .. .	1,22,11,548
Total expenditure from Loan Funds .. .. .	13,77,75,054

Obviously, not all these objects can be held to be either productive, or profitable in the narrower significance of the term; and it may be taken as a happy augury for the soundness of our municipal financial system that the obviously unproductive and unprofitable objects are not merely very small factors in causing municipal indebtedness, but that they tend to be discouraged more and more. Even the objects not directly productive of a monetary return, such as education or hospitals, seem second-class factors in adding to the volume of municipal indebtedness. It is true, on the other hand, that objects directly productive of a surplus or profit, untainted with the stigma of a tax,—as the Water Revenue and Halalkhore Tax may be described, against the debt incurred in their behalf,—are also not very much in evidence in this account of the factors that have brought about the municipal indebtedness of Bombay, such as Transport or Power works, or Electric Lighting works or Gas Plant. But that defect can be easily remedied, if once the municipal conscience is educated into a proper perception of the benefits of intensive municipalisation in regard to all those activities which can most advantageously and economically be performed by joint or collective action typified by a municipality, aptly described as a compulsory association for consumers' co-operation.

Relative Productivity of these several objects.

#### IV.—General Principles of Municipal Borrowing.

The general principles of public borrowing, as applied to the central state authority, cannot be applied in their entirety to local or municipal borrowing. While we cannot quite insist that Municipal borrowing shall always be for definitively productive purposes,—the productivity being measured in terms of money return,—we cannot but observe the imprudence,—to call it by no harsher term,—of meeting any portion of the running expenses of the ordinary municipal services from borrowed money. The distinction between running expenditure and non-recurrent or capital charge is often, we recognise, exceedingly difficult to draw and maintain. But for working purposes we think it not impossible to insist that even in projects like building and furnishing expenditure for schools, and other educational institutions, it would be preferable to rely on special grants

Principles of Central vs. Local Borrowing.

from the central or provincial governments, when the ordinary revenue surplus is insufficient, than on borrowed money; though, of course, it is a perfectly arguable proposition that in the event of a sudden change in the basic policy of vast dimensions,—e.g. the resolve to make primary education compulsory and free in all the divisions of the city all at once,—recourse to borrowing may not only be unavoidable, but may be actually commendable. In objects which render service to the community which cannot be directly charged for by the person immediately taking advantage of the service, borrowing may also be permissible, e.g. in providing hospital accommodation on a much larger scale; though even in such cases sound and orthodox financial practice would suggest the linking up of some other cognate service, which can be directly charged for, and from which, therefore, an income can be derived sufficient to pay for the service not directly chargeable. In the particular instance of hospital accommodation, which is in enormous deficit in Indian municipalities, the linking up of hospital accommodation and nursing service with the general scheme of Social Insurance will either guarantee against the danger of unproductive indebtedness, or provide means for repayment side by side with the implement of service to be rendered to the community.

Ultimate criterion for preferring Borrowed Funds—not money return only.

But while Municipalities would be most imprudent if they meet their current expenditure or any part thereof out of the proceeds of borrowed funds; and while there may be some instances in which the best managed municipality may not be able to avoid borrowing temporarily for an item of regular expenditure, the criterion for judging of the ultimate wisdom or otherwise of any municipal loan must be sought—not entirely in the money return a particular service rendered out of the proceeds of a loan can obtain. A good many of the functions of the municipal organisation are not immediately or directly productive of a substantial money return, though the service rendered by them to the municipal community is unquestionable. In that case, the only means to provide for the support of the loan is additional taxation, e.g. taxes imposed in American cities for the maintenance of the debt incurred for drainage purposes. We cannot always separate effectually the management of Municipal indebtedness from the general finances of that body; and, provided the revenues of the Municipality suffice to meet the burden of the debt, the wisdom of incurring indebtedness will not be questioned,—at least on account of the municipality's ability to support the burden.

Debt for Commercial Services yielding direct money return.

But the bulk of modern Municipal indebtedness has been incurred for the purpose of paying for those commercial services or utilities, which are capable of yielding a direct money return. Speaking on the broadest grounds of humanity, it may be questioned if the policy which makes such absolute necessities of life as water the object of buying and selling,—which places a price upon them,—is either sound or moral. But if considerations of ethics conflict with those of economics in such instances of prime necessities, there can be no doubt that in the case of transport facilities, lighting service, power supply, the Municipality

may well seek to earn a profit, if the same can be earned without reducing the service and utility of such functions in the slightest degree, and if such earning is necessitated for the maintenance of a loan charge on the Municipality, incurred initially for the acquisition of the plant and equipment for such services. These enterprises, it need not be added, cost enormous sums in our present economic organisation; and it would be impossible for any municipality, concurrently with its other obligations, to defray such expenditure from its ordinary revenues. The question as to whether provision for the debt incurred for such purposes should be made on the basis of merely supporting the interest charge, without any attempt at repayment of the principal; or whether it should be so made as to liquidate the indebtedness altogether within a definite period of a given number of years, is a wholly different problem from the one we are now considering: as to whether loans should be raised or not for purposes which are capable of being made self-supporting. The bulk of the modern municipal indebtedness thus comes to be distinguished from that of the central governments by the decisive feature: that whilst the greater portion of Governmental indebtedness is incurred for wasteful purposes of paying for wars, the bulk of the municipal indebtedness in all progressive countries is the result of a laudable desire to provide for the amenities of civilised life in an ever expanding degree.

Municipal indebtedness, then, should preferably and predominantly be incurred for objects of public utility, whose plant and equipment demand such an outlay as to render it practically impossible for the current revenues of the municipality to defray such expenditure. The next question to be considered is whether, even in those cases in which the service rendered out of the proceeds of loans is incapable of adequate money return, provision must be made for the administration of the debt charge to pay only the interest charge, or should be such as to comprise a part of capital redemption, if necessary, from the proceeds of ordinary revenues, increased for the purpose. In other words, shall the municipal debt charge be a perpetual burden, or is it to be a definite, terminable, obligation, lasting for a given period only? In the case of profit-earning enterprise, may also the question crop up; though in that case the form will be different, viz. whether the charge for the service shall be so framed as to bear not only the cost of operating the service; but also and likewise the burden of the interest and capital repayment fund. In the ordinary course of events, since the Municipality would be obliged to have recourse to the money market more than once; and since there is every probability that our conception of the range and variety of municipal functions would be expanding constantly, and would be consequently involving further borrowing, mere considerations of the commonest prudence would suggest that provision should be made for each loan, as and when it is incurred, for the maintenance not only of the interest charge,

Problems of  
Debt Adminis-  
tration.

but also for the repayment in a given number of years, of the principal of the debt. A municipality regularly paying off its indebtedness is certain to have a credit which will procure it such advantageous terms in borrowing that the policy above recommended will carry its own justification to the most sceptically inclined municipal financier. Of course, in the case of profit-making services, the problem is only the problem of framing the charges so that the entire burden may be borne by the proceeds of such service. It is not always plain sailing even in their case, since the service in question may be of such prime importance, that in the general communal interest, it might be deemed of much greater importance to levy charges which will ensure the greatest possible demand for the service in question, and not such as would yield the greatest possible money return to the municipality. But in case of doubt in each one of such instances, the municipal financier can, we think, readily decide the point as to when that level may be deemed to be reached, in the charges for the service, which would afford either the maximum return, or the maximum use; and as in all instances of a municipally operated enterprise, the upper limit could be definitely fixed at the point where returns would be such as to meet the entire burden of interest and sinking fund, the problem really never rises to the height of absolute insolubility. The question is rather more difficult to solve in the case of those services, which have to be financed out of borrowed monies, and the returns from which are either incapable of being measured in terms of money, or are such as to be insufficient for the service of the debt incurred on that account. In all such cases, extra taxation will have to be imposed, or the charges for the other profit-making services so screwed up as to meet the total burden of the entire municipal debt. The municipal financier must never forget that the occasions for a recourse to borrowing are almost unlimited under our present social organisation. Besides, municipal assets, like those of any other corporations, depreciate, and have to be replaced. Changes may also take place in the extent of our knowledge, which demand new methods and implements of rendering a given service to the community. Advances may occur in the Science and Art of municipal administration, which also may occasion further borrowing. All these factors considered, the principle that no loan shall be incurred by a municipality unless and until the municipality is able to provide adequately for the service of that loan, seems to us to be absolutely unexceptionable.

Municipal  
consols.

The only other question of principle, which we need at all to consider in this connection, is that of the consolidation of municipal debts. Municipal authorities do not enjoy that degree of sovereignty which would enable them to repudiate any portion of their indebtedness, which it becomes impossible to support; and, as a rule, they are tied down by definite conditions regarding the rate, interest and the period for repayment, in all of which instances also they have no means of economising, as the Sovereign state can do. The powers of consolidation and

funding may accordingly prove useful, if specifically given by the constituent Act governing the municipality, to enable the municipality to reap all those advantages which a falling rate of interest may afford, in a period of depression. Loans are usually contracted in a period, the reverse of depression, when accordingly the rate of interest is usually high. The Municipal authority, however ought to be at liberty to avail itself of any advantage that may accrue in the next turn of the wheel in the money-market; and the constituent acts may accordingly be well amended to grant such powers of consolidation to the municipality. But the consolidation we recommend is not the same as conversion, or refunding, which is often an insidious expedient of impecunious finance. Municipalities must, we think, be strictly held to their contractual obligations in this matter of their debt. They ought to have no right of refunding which will only postpone or conceal their certain bankruptcy. Consolidation is different, at least as we conceive it. At each periodical stock-taking, as it were, the Municipality consolidating its indebtedness would be offering either to pay off its existing creditors or any class of them, or inducing them to accept other terms for their debts, which would be advantageous to the municipality, and not disadvantageous to them, in view of the given conditions of the money-market. To achieve this the municipality should either have funds enough to pay off all those who might refuse to acquiesce in the scheme for consolidation, or at least credit enough, on distinctly more advantageous terms, to borrow so as to pay off and consolidate the debt. In a general authority, on the other hand, for conversion, the municipal financier might be tempted, each time that an outstanding loan falls due for repayment, to offer to convert it into a fresh loan, and so create a perpetual obligation on the civic assets which it is neither right nor proper to create.

### V.—Contrast between Municipal and Governmental Indebtedness.

The foregoing observations must have made it clear to the discerning reader what difference there is between the indebtedness of the State or the Central Government and that of the subordinate, semi-sovereign authority of the municipality. We may, however, summarise the difference in this place, if only for the sake of clearness in argument, and convenience in reference. There is, first of all, the difference in the legal status of either of these contrasted authorities. While the sovereign authority of the state knows and acknowledges no limits,—and consequently its debt obligation is a mere matter of the goodwill of the State,\*—the municipal authority is a definitely limited power, which can, if need were, be compelled to make good contractual obligations,

Summary of  
difference between the state  
and the Municipality as a  
Debtor: (a) in  
Legal status.

\* It may be interesting to note in this connection, that, under the theory of the Public Law applying to our constitution, the Government of India in its supremest manifestation, is not considered to be such a sovereign authority as could contemplate a scheme for the repudiation of its Public Debt. Cp. for the rest, LUTZ, *Public Finance*, p. 601 et. seq.

whenever it should evince the slightest tendency to escape them. Of course, there may be, and probably are, means for a municipality to evade its debt obligations, e.g. by the City of Memphis in America surrendering its charter, and so ceasing to exist as a legal entity to avoid the obligation of its indebtedness; and the more or less vigorous exercise of these means may induce the creditors to come to a compromise or even to forego their claims altogether. But, generally speaking, the courts in every civilised state to-day will never recognise the right of a municipality to evade its debt obligations; and will probably grant specific relief to the creditor wherever such a procedure is feasible; so that it would not be worth the while of any municipality to think of total repudiation. While convinced that the existing indebtedness of the leading Indian municipalities has been incurred for objects and in modes not always or consistently in the interests of the municipality or according to the dictates of sound finance: while convinced that the service of the debt has cost these cities far more than the value received in exchange in every form, we cannot recommend that the Indian municipalities should aim at a clean slate, and achieve it by the heroic measure of a wholesale repudiation. That, of course, is not saying the same thing as that they should never aim at securing such economies and advantages as would make the burden more economical and supportable.

(b) In Objects. We have already noticed the contrast in respect of the objects and purposes for which the respective authorities of the city and of the State have occasion to borrow. While, however, it may generally speaking be true that the cities should not borrow except for productive purposes, the maxim cannot be so thoroughly universalised as to disregard altogether the claims of those primary functions of municipalities which also occasion nowadays sufficient expenditure to compel recourse to borrowing. Only, in these as well as other cases of municipal borrowing, adequate provision must always be insisted upon for the service and discharge of the debt, so that perpetual obligations will not be imposed upon the city.

(c) Administrative freedom. The third, and perhaps the most important contrast, at least administratively speaking, relates to the different rules of management as applied to the administration of state indebtedness and as applied to that of the city. For instance, while every municipality has to submit to definite restrictions regarding the volume of indebtedness open to it to incur, as well as regarding the service of the debt, the national government knows of no such restrictions. Then, again, all kinds of municipal debts, the state authority constituting the municipality insists shall be repaid; but the eventual repayment of the national indebtedness is a matter entirely of the goodwill of the national government. It may be, however, that in the case of all that indebtedness

against which the city has valuable assets to set off, the policy of redemption might be so far relaxed, as to permit the civic authorities to refund such debts, whenever the loans fall due, so as to make of this indebtedness as so much invested capital, the debt continuing so long as the city continues the ownership of the economic undertaking. For our part, however, we would not permit even such a relaxation of the central principle of local indebtedness; as such a relaxation would militate, in our judgment, against the possibility of free service, or at least very much cheaper service than would be possible while the debt charge continues. In all other cases of civic indebtedness, the maxim is universally approved that adequate provision should, from the outset, be insisted on rigorously for the institution of a sinking fund sufficient to pay off the loan as each particular one falls due.

## VI.—Statutory limitations on Civic Borrowing.

For a fuller appreciation of the nature and rationale of the statutory limitations imposed upon the municipal authorities regarding borrowing, let us consider the following summary of the provisions of the Calcutta Municipal Act. Example of Calcutta.

Under Section 98 of the Act, the Corporation determines each year, at a meeting of that body held on or before the 22nd of March, and after considering the proposals of the Executive Officer in that behalf, what amount shall be borrowed in the ensuing financial year. When a proper resolution has been passed for the purpose by the Corporation, (S. 97), a loan may be raised, "by the issue of debentures or otherwise on the security of the consolidated rate" or "of all or any of the taxes, fees and dues authorised by this Act,"

- (a) for the construction of works under this Act; or
- (b) for the acquisition of land for the purposes of this Act, or
- (c) to pay off any debt due to the Government, or
- (d) to repay a loan raised under this Act"

These are definite limitations as regards the objects for which a loan can be raised by the Calcutta Municipality, and by parity of reasoning, by any other municipality. We can hardly say that the limitations are either wisely conceived or properly laid out. Even if we except the particular favour shown to Government as creditors of the Municipality, we cannot overlook the laxity which permits a fresh loan to be incurred for paying off an existing debt. (d) On the other hand, the limitation confining municipal borrowing for purposes of constructing works under the Act,—whatever that expression may mean precisely,—or for the acquisition of land for the purposes of this

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\* For a fuller discussion of this problem, cp. Lutz Op Cit., loc. Cit.



Act, makes the borrowing of the Calcutta municipality needlessly restricted in object and utility, and so limits the possibility of service that the municipality might be in a position to render, perhaps more advantageously than any private profit-making corporation. All these objects of public utility and benefit, which we have discussed in Book II as capable of being taken up by a progressive municipality fully conscious of its duties and responsibilities towards the civic population, would be impossible to be taken up, unless the constituent acts are amended with a view to permit a wider range of objects for which borrowing would be allowed.\*

Another definite and effective limitation on the borrowing powers of the Municipality is sought to be imposed by S. 100, which says:—

“Notwithstanding anything hereinbefore contained, the borrowing powers of the Corporation shall be limited so that the sums payable under this Act during any year for interest and for the maintenance of Sinking Funds.....shall not exceed ten per cent. on the annual rateable value of land and buildings as determined under Chapter X.”†

The corresponding limitation in the Bombay Act is worded slightly differently, though the effect is not very materially different:—

“The sum borrowed shall not at any time exceed, with the balances of all the outstanding loans and debts due by the Corporation in the whole, double the rateable value of the premises in the city assessable as hereinafter provided, to property taxes.” (S. 109 (b))

If by the property taxes is meant taxes on real as well as personal property,—which latter is not now taxed and so cannot be said to have been contemplated by the draftsman of the Bombay Act,—the scope for borrowing would be much more extensive in the Western than in the Eastern capital of India. As it is, Bombay has a much larger debt, thanks to the higher valuation of

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\* The corresponding section in the Bombay Municipal Act is worded differently:—“The Corporation may from time to time borrow or reborrow and take up at interest from the Secretary of State for India in Council, or, with the sanction of the Governor in Council, from any other person, any sum necessary for the purpose of defraying any costs, charges or expenses incurred or to be incurred by them in the execution of this Act, or for the purpose of discharging any loan contracted under this Act or any other loan or debt for payment of which they are liable.” Section 106.

The Bombay Act seems less liberal than the Calcutta Act, inasmuch as it attempts to limit the parties from whom the municipality can borrow, whereas no such limitation is specifically imposed by the Calcutta Act. But the wording of the purposes for which the Corporation can resort to borrowing appears to us to be much more liberal in Bombay than in Calcutta.

† Says the Calcutta Municipal Administration Report for 1922-23: “The rateable value of the City on the first of April, 1923, was Rs. 6,54,66,788, ten per cent of which is Rs. 65,46,678. The liability for interest and contribution to the Sinking Funds amounts to Rs. 42,69,352. The balance available for the service of further loans is Rs. 22,77,326, which on the above calculation would admit of a 6 per cent loan varying in amount from about Rs. 2,84,66,000 repayable in 30 years to Rs. 3,67,31,090 repayable in 60 years. With a margin of taxation to the extent of 5½ per cent of the valuation of the City still available, there is no ground for apprehension that the revenue required for the service of the loan will not be forthcoming in case of necessity.”

the real property in a crowded city with definitely restricted area. But in neither instance, is the limitation on the borrowing power so worded as to permit of an expansion of civic functions, conformably to the ideas mapped out in Book II, and with a view to add to the revenue resources of the city, as well as to the service rendered by municipal activities.

There are limitations, also, regarding the parties from whom the loans can be raised, as well as touching the duration of the loan, the mode of its repayment and the specific provision for the same. Sanction or approval of the Local Government, and in some cases of the Government of India, is insisted on for the raising and utilising the proceeds of a loan:—

Says the Calcutta Act, S. 97:—

- “(i) No loan shall be raised without the previous sanction of the Local Government.
  - (ii) The rate of interest to be paid for any loan and the terms (as to the time and method of repayment, and otherwise) upon which any loan is to be raised, shall be subject to the approval of the Local Government.
  - (iii) The period within which a loan is to be repaid shall in no case exceed sixty years; and.
  - (iv) No loan exceeding in amount twenty-five lakhs of rupees shall be raised unless the terms, including the date of floatation of such loan, have been approved by the Government of India.
- (2) When any sum of money has been borrowed under sub-section(1),
- (i) No portion thereof shall, without the previous sanction of the Local Government, be applied to any purpose other than that for which it was borrowed; and (ii) no portion of any sum of money borrowed under clause (a) of sub-section (1) shall be applied to the payment of salaries or allowances to any municipal officers or servants, other than those who are exclusively employed upon the works for the construction of which the money was borrowed.”

These provisions taken from the Calcutta Act are repeated in essential particulars in the Bombay Act, and indicate fairly clearly the viewpoint of the framers of the Municipal constitutions in India regarding the borrowing powers of municipalities. We have no objection to such provision being laid down in the general interest of the financial solvency of the Municipality, unless it were that too minute a particularisation of such restrictions tends to restrict unduly the growth of that local interest and enthusiasm which we consider to be indispensable for the healthy development of democratic institutions in India. The same must be said with regard to the more or less detailed provisions concerning the Sinking Funds, their institution and maintenance and administration, as they are intended to ensure the financial integrity of the Municipal body. The right of the Local Government in Calcutta to attach the Municipal Fund in case of the interest or principal of any monies due to Government

being unpaid after they are due, seems a little excessive, even though a similar right of attachment is not given to any other creditor of the municipality. The fact, however, that municipal indebtedness is created generally in the form of Debenture or Mortgage bonds might lend colour to the theory that municipal creditors are considered to be in the position of secured creditors, who have their specific security to guarantee the repayment of the debt; and if so, the freedom of the municipality would be gravely endangered.\*

## VII.—Indebtedness of Municipalities in India and Abroad compared.

Comparison of  
Municipal  
debtedness. In-

The objects and purposes, as well as the procedure and manoeuvring, with which Municipalities in India and those in foreign countries run into debt are worth comparing. We have already given the amounts and objects of the debts of Indian municipalities in a previous chapter. Let us give here the table of indebtedness, for 34 cities in the United States, with a population each of 1,00,000 or more compiled from the latest issue of the *Financial and Commercial Chronicle* of June 27, 1925, published in New York, special number.

Objects (These figures are for 1925) of Indebtedness	Total amount of Indebtedness
Bridges & Viaducts, Docks, harbours, lakes and River dredging; £	67,815,512
Protection against Floods; ..	102,292,446
Lighthouses, streets, pavements, grades, side-walks, and cross-walks. ..	173,479,108
Sewage and Garbage Disposal and Reduction. ..	142,805,074
Waterworks ..	453,890,668
Public Hospitals and Sanatariums. ..	41,361,015
Public Safety: Fire, Police, Houses of Correction, and Infirmaries. ..	21,559,842
Public Libraries ..	12,989,254
Recreation Grounds, Parks, Play-grounds, Zoological Gardens. ..	74,926,573
Baths and Gymnasiums ..	3,044,657
Educational Institutions ..	258,671,400
City Tramways and Railways. ..	317,538,588
Municipal Buildings and Roads ..	35,945,548
Lighting ..	16,377,850
Markets and Slaughter Houses ..	4,490,680
Charities, including Workhouses ..	3,615,517
Memorials and Monuments ..	2,986,200
Cemetries ..	607,000
Public Improvements ..	360,906,643
Miscellaneous ..	643,296,426
Total Indebtedness ..	2,698,139,148

Against the total indebtedness of 2,698 million dollars, the civic property liable to assessment for taxation was valued by the same authority at 32,139,593,501, while property belonging to the city was valued at 644,823,177 dollars. The position of the Indian cities in regard to indebtedness has already been given elsewhere in this Book, as also the value of the property liable to city assessment. On a com-

\* Cp. Section 118 and 119 of the Calcutta Municipal Act of 1923.

parison, we cannot but realise that the Debt position is very much safer in the case of American than in that of the Indian cities. The objects, moreover, for which American cities have resorted to borrowing seem to be more numerous and varied; and though we cannot be quite sanguine about the productivity, as measured in money, of several of these objects, there can be no doubt whatsoever regarding the real utility of all these activities to the general life of the civic community.

### VIII.—Debt Redemption.

We have already referred, in passing, to the provision in the constituent Acts of the Indian municipalities relating to the redemption of their debt. The insistance on a Sinking Fund,\* regular and adequate for the redemption of each loan as it is raised, is a measure of safety against which there can be no cavilling, unless it were on the rather unusual ground: that inasmuch as the debt programme of the leading municipalities is in no way arrested by the insistance on debt redemption by means of sinking funds, these funds constitute a burden on the community, out of proportion to the benefit derived from the original expenditure of the money. The soundness of a policy of redeeming any public debt has been questioned, as much on the ground of safety to the ordinary petty investor, as on the larger issue of real economy involved in schemes of redemption. For all practical purposes, we may take it, the Municipalities of India are as unlikely to become completely free from debt as the principal governments of the leading states are to-day, for the

General provisions for Redemption.

\* Says Section 105 of the Calcutta Municipal Act of 1923. :—

“Every loan raised by the Corporation under Section 97 shall be repaid within the time approved under proviso (ii) to sub-section (1) of that section, and by such of the following methods as may be so approved, namely

- (a) from a Sinking Fund established under section 106 in respect of the loan, or
- (b) partly from the Sinking Fund established under Section 106 in respect of the loan, and (to the extent to which that Sinking Fund falls short of the sum required for the repayment of the loan) partly from money borrowed for the purpose under clause (d) of sub-section (1) of Section 97.

Section 106 reads :—

- (1) Whenever the repayment from a Sinking Fund of a loan referred to in Section 105 has been approved under proviso (ii) to sub-section (1) of Section 97, the Corporation shall establish such a fund and shall pay into it every six months until the loan is repaid, a sum so calculated that, if regularly paid, it would, with accumulations in the way of compound interest, be sufficient, after payment of all expenses, to pay off the loan at the time approved.
- (2) The rate of interest on the basis of which the sum referred to in subsection (1) shall be calculated, shall be such as may be prescribed by the Government of India.
- (3) A separate Sinking Fund shall be established in respect of each loan referred to in section 105.

The next section gives power to discontinue these payments into the sinking Fund if at any time the sum standing to the credit of the Fund is of such amount, that, if allowed to accumulate at compound interest, it would be sufficient to repay the loan at the date fixed, without any further payments being made in the Fund.

simple reason that even though a particular loan may be repaid in course of time, new needs will have in the meantime grown up to such an extent that further borrowing in the interval would, of necessity, have so added to the debt as to render the total amount of indebtedness greater than ever before. The deadweight of public indebtedness rarely appeals to that class of economists, who lay stress on the real benefit derived by the community as a whole by the steady and continuous maintenance of such burdens, and not by any class of the same, such as the petty investor class; and it is from economists of this persuasion that suggestions have emanated, in more or less clear form, advocating a practical repudiation of debts whose burden far outweighs the benefit. Neither the central government nor the municipal institutions in India to-day are, however, likely to consider seriously projects of debt redemption of a radical and heroic description, whether disguised in the form of wholesale capital levies, or declared in all their essential simplicity of a frank negation to shoulder the burden any longer. We need not, therefore, consider such expedients in this country, beyond just pointing out that, even for the municipalities, a time might conceivably come, when the possession of a power to repudiate the debt, or effectively to reduce the burden by a funding operation, would be found to be as necessary as it is likely to be beneficial.

Form of Municipal Debt evidence.

The form and mode of incurring Municipal indebtedness need not detain us much longer. By the terms of the constituent acts, Municipalities in India can only raise money on debenture security\* which are usually made transferable under special precautions, so that their negotiability is effectively limited. We think it would be in the interests of the Municipal authority, if their usual security is rendered more popular than it is, by converting the debentures into Bearer Bonds which can circulate as freely as any other commercial and negotiable instrument. Particularly would this procedure be found advantageous, if the mortgage debentures are issued by a Municipality, secured not generally

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\* Says Section 101 of the Calcutta Municipal Act of 1923 :—

"(1) All debentures issued under this Act shall be in such form, and signed by such person, as the corporation may from time to time prescribe, with the previous sanction of the Local Government, or (in the case of a loan raised out of India) the Government of India.

(2) The holder of any debenture in any form prescribed under sub-section (1) may obtain in exchange therefore, upon such terms as the corporation may from time to time determine, a debenture in any other form so prescribed.

(3) The holder of any debenture issued by the Corporation under the authority of any prior enactment may obtain in exchange therefor, upon such terms as the Corporation may from time to time determine, a debenture in a form prescribed under subsection (1).

(4) Every debenture issued by the Corporation under this Act shall be transferable in such manner as shall be therein expressed.

(5) The right to sue in respect of the monies secured by any such debentures or by any debentures issued by the Corporation under the authority of any prior enactment, shall be vested in the holders thereof for the time being, without any preference by reason of some of such debentures being prior in date to others."

upon the assets and powers of the Municipality as is now the case,\* but upon the particular paying enterprise, which, in pursuance of the recommendations made in this work, a Municipality may be tempted or advised to embark upon. The security in that case would be highly desirable to the investor, in proportion as the profits expected from the enterprise are considerable enough to make the interest as certain as can be; while to the Municipality also, the benefit would not prove inconsiderable, inasmuch as its total assets will not be charged, but only a portion thereof. The principle of making the Municipal Bonds a form of bearer securities freely negotiable in the local money-market or the Stock Exchange may be carried a little further, and an enterprising municipality may develop a form of local currency note, whose circulation would help to economise very largely the use of the precious metals as money, and so avoid the frequent stringency in the money-market, which is such a characteristic and deplorable feature of the Indian business world. Of course, this device can only work if the Municipality is allowed to establish its own local Bank, and if the currency laws, or those relating to the use of negotiable instruments, are modified to suit this recommendation. But if once the recommendation is adopted, there would be perceived immediately such a benefit that Municipalities will find a ready, standing market for their borrowing in the cheapest possible manner; and the help such as effective mobilisation of the resources of the city can render to the growth of civic enterprise can rather be imagined than described in words.

### IX.—Borrowing in India and outside India.

In passing, we might note here two minor points of detail, which are of some <sup>Foreign Capital.</sup> interest in connection with municipal borrowing. Inasmuch as the municipal borrowing represents a class of gilt-edged security, certain of yield and safe in holding, we think it would be advisable to restrict municipal borrowing to the local money market as far as possible. Municipalities will suffer no hardship if they are prevented from raising loans in foreign, non-Indian centres, without the express permission of the Government of India; and the permission of the Government of India should ordinarily not be granted for such borrowing outside India, as can with very little difficulty be raised directly by the municipality or indirectly through the Local Government in India itself. There are grave reasons of economics as well as policy why this principle should

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\* Says Section 108 of the Bombay Municipal Act, 1922 —

(1) The Corporation may borrow or reborrow any such sum as aforesaid from any person other than the Secretary of State for India in Council, on the security of any immoveable property belonging to them or proposed to be acquired by them under this Act, or of all the taxes or of any tax which they are authorised to levy for the purposes of this Act, or of all or any of those securities.

(2) And for the purpose of securing the repayment of any sum so borrowed, with interest thereon, they may mortgage to the person by or on behalf of whom such sum is advanced by such immoveable property or tax.

be enforced rigorously in the administration of Indian municipalities. For foreign indebtedness is a burden, which it would be fatal for a municipality to carry; and the harmfulness of which would be appreciated, not at the time of borrowing perhaps, but rather at the moment of funding or consolidating the municipal indebtedness. Such operations can easily be frustrated by foreign bondholders if they do not get their pound of flesh from the municipal exchequer; and the city may thereby be condemned to carry an uneconomic load of indebtedness simply because it is powerless to resist the exactions of the bondholders, who are unamenable to the powers at the disposal of a city council. Moreover, municipal indebtedness properly conducted and administered, is usually for productive purposes, in which there is seldom any question of the safety of the sum lent, or the certainty of the interest. While it may be undesirable and impolitic for municipalities to offer rates of interest and terms of repayment varying according to the productivity of each object for which a loan is raised, it may nevertheless be more profitable to the city and the citizens, if the city's borrowing is ordinarily confined to the city money market. Only in rare and exceptional cases, where the local resources are inadequate to the borrowing programme, should the city venture abroad to the foreign money-market, not merely under a specific permission of the Government of India; but also the most stringent possible safeguards should be adopted that the city be not unduly mulcted by the foreign lenders.

Property valuation.

The second point relates to the valuation of property in Indian municipalities for purposes of local assessment. We have already observed in the chapter of this Book relating to municipal taxation, how imperfect the valuation usually is in Indian cities; and have pointed out the scientific methods for its improvement. For the better administration of the municipal debt, as well as for the greater strength of municipal credit, it is necessary that the suggestions there made should be given effect to as soon as possible.

#### X.—Procedure for Borrowing Directly by the Municipality or Indirectly through the Local or Central Government.

Direct vs. Indirect Borrowing.

The provisions of the constituent Acts relating to the Indian municipalities have already been noted whereby the Indian municipalities are prevented from borrowing outside India without the specific permission of the Government of India. We think it would be in the best interests of the general strengthening of public credit all over India, if the municipality is allowed to enter into *the Indian money market* directly and on its own account, instead of waiting the pleasure and convenience of the Local or Central Government to put through its loan programme. The direct borrowing by the principal municipalities in India may, no doubt, raise up effective rivals to the Government borrowing; and there may be advantages in pooling all the loan propositions of every

kind of governing body to be managed centrally by a single institution, like the Imperial Bank. But when all allowance is made for such considerations, we think it would be found to be of the utmost benefit to all concerned that at least those municipalities who have an unimpeachable security to offer to the investor should have the right to a direct access to the lender, instead of depending on the resources and requirements of Government before carrying out the loan programme. Ordinarily, governmental borrowing is of doubtful productivity; whereas the municipal borrowing of the kind we have advocated would be directly and immediately productive, though there may be cases in which even the municipality may have to borrow for a seeming unproductive object. If the Municipality is compelled by law to wait upon the convenience of the Government before borrowing, it would suffer needlessly while Government will not benefit at all.



**CONTRASTED STATEMENT OF INCOME AND EXPENDITURE OF THE BOMBAY MUNICIPALITY FROM 1865 TO 1923-24.**

YEAR.	Income.	Expenditure.	DIFFERENCE.	
			Surplus	Deficit.
	Rs.	Rs.	Rs.	Rs.
1865 .. .. .	23,63,787	49,59,333	....	25,95,546
1866 .. .. .	29,14,672	36,01,922	....	6,87,250
1867 .. .. .	30,40,524	42,16,346	....	11,75,822
1868 .. .. .	38,52,674	34,77,058	3,75,616	....
1869 .. .. .	33,93,226	31,31,358	2,61,868	....
1870 .. .. .	33,07,749	33,92,185	....	84,436
1871 .. .. .	28,71,160	38,04,661	....	9,33,501
1872 .. .. .	30,48,331	31,15,888	....	67,557
1873 .. .. .	33,24,108	30,44,577	2,79,531	....
1874 .. .. .	29,81,322	29,90,663	....	9,341
1875 .. .. .	31,43,526	32,65,027	....	1,21,501
1876 .. .. .	31,77,723	31,60,438	17,285	....
1877 .. .. .	32,41,452	30,36,535	2,04,917	....
1878 .. .. .	31,45,153	32,70,224	....	1,25,071
1879 .. .. .	33,41,174	31,11,122	2,30,052	....
1880 .. .. .	32,51,870	30,57,922	1,93,878	....
1881 .. .. .	38,73,694	37,98,872	74,822	....
From 1st January 1882 to 31st March 1883 (15 months).	46,12,240	47,53,632	....	1,41,392
1883-1884 .. .. .	37,37,272	37,15,812	21,460	....
1884-1885 .. .. .	42,13,868	38,81,020	3,32,848	....
1885-1886 .. .. .	44,73,973	40,66,940	4,07,033	....
1886-1887 .. .. .	49,01,814	41,76,362	7,25,452	....
1887-1888 .. .. .	51,66,530	58,12,690	....	6,46,160
1888-1889 .. .. .	49,66,193	52,01,253	....	2,35,065
1889-1890 .. .. .	53,42,169	50,42,405	2,99,764	....
1890-1891 .. .. .	61,65,901	56,84,861	4,81,040	....
1891-1892 .. .. .	62,33,183	57,82,073	4,51,110	....
1892-1893 .. .. .	66,72,943	65,45,512	1,27,431	....
1893-1894 .. .. .	67,62,695	69,63,928	....	2,01,233
1894-1895 .. .. .	65,39,372	63,73,486	1,65,886	....
1895-1896 .. .. .	67,16,710	67,02,516	59,194	....
1896-1897 .. .. .	62,08,978	70,04,743	....	7,95,765
1897-1898 .. .. .	71,45,560	74,96,969	....	3,61,409
1898-1899 .. .. .	71,61,911	73,39,026	....	1,77,115
1899-1900 .. .. .	88,29,817	73,92,480	14,37,337	....
1900-1901 .. .. .	84,02,848	85,84,058	....	1,81,210
1901-1902 .. .. .	77,66,729	82,26,458	....	4,59,729
1902-1903 .. .. .	81,75,688	84,53,398	....	2,77,710
1903-1904 .. .. .	84,82,625	84,31,390	51,235	....
1904-1905 .. .. .	93,36,111	85,91,618	7,14,493	....
1905-1906 .. .. .	90,92,539	93,74,242	....	2,81,703
1906-1907 .. .. .	96,48,501	95,20,790	1,27,711	....
1907-1908 .. .. .	98,89,324	1,01,89,201	....	2,99,877
1908-1909 .. .. .	1,02,86,048	1,06,30,126	....	3,44,078
1909-1910 .. .. .	1,12,13,864	1,13,97,050	....	1,83,186
1910-1911 .. .. .	1,21,96,149	1,12,81,872	9,14,277	....
1911-1912 .. .. .	1,26,55,789	*1,14,84,562	11,71,227	....
1912-1913 .. .. .	1,27,41,589	(a) 1,16,81,587	10,60,002	....
1913-1914 .. .. .	1,28,76,501	(b) 1,20,48,926	8,27,575	....
1914-1915 .. .. .	1,24,13,366	(c) 1,24,53,191	....	39,825
1915-1916 .. .. .	1,38,31,070	1,28,03,870	10,27,200	....
1916-1917 .. .. .	1,40,48,739	1,42,14,292	....	1,65,553
1917-1918 .. .. .	1,48,29,386	1,42,61,391	5,67,995	....
1918-1919 .. .. .	1,73,74,184	1,70,27,648	3,47,536	....
1919-1920 .. .. .	1,83,16,927	1,83,09,277	7,650	....
1920-1921 .. .. .	2,01,43,197	2,02,02,301	....	59,104
1921-1922 .. .. .	2,31,47,009	2,24,64,954	6,82,055	....
1922-1923 .. .. .	2,67,53,463	2,61,61,439	5,92,024	....
1923-1924 .. .. .	2,79,21,509	2,89,50,053	1,42,35,504	10,28,544
				1,16,69,683

\* This is exclusive of Rs. 5,00,000 utilized towards writing off a portion of the Plague expenditure

(a) Do. " 3,10,052-7-4

(b) Do. " 1,00,000

(c) This is exclusive of Rs. 33,455 being the write-off of the proportionate cost (paid) out of Loan Funds) of the Halalkhores, chawl at Vincent Road sold to the City Improvement Trust.

M. R. TAMBE, Ag. Chief Accountant,

H. B. CLAYTON, Municipal Commissioner.

## CHAPTER XI.

### THE MUNICIPAL BUDGET AND THE ORGANISATION OF MUNICIPAL FINANCE.

#### I.—The Essential of Budget-Making in Municipalities.

The preparation of the Municipal Budget, and the organisation of the entire financial system of the municipality, particularly the auditing and the accounting sections, require a great deal of patient planning and careful organising. This is not merely because modern municipalities tend to have a great variety of functions, demanding a corresponding complexity of accounting, which, unless it is carefully attended to in advance, is likely to create grave confusion and engender substantial waste. There is the all important consideration as to how most fully to convey all the material information to the Council, and through it to the city as a whole; and by that means to bring about a control of the public purse of the city by the citizens as a whole, which, of course, is of the essence of local autonomy. The two usual forms in which budgets are prepared and submitted to the municipal council may be distinguished one from the other by being described as the lump sum budget, and the itemised budget. In the former case, each important head of the departments under the municipality is given a lump sum according to his estimates checked and verified, if at all, by some superior authority, like the Mayor or the President of the city council, leaving the greatest possible discretion and latitude in the actual spending of the sum voted to the head of the department concerned. This system may conduce to efficiency, perhaps; but it does not, in our judgment, contribute either to economy or to responsibility in the city's expenditure. The other system consists in giving all the detailed items of the entire budget, specifically laid out under well-known heads, and then leaving it to the supreme municipal authority to sanction, alter or reject any of the items so mentioned. \* In this method, there may be a risk of over particularisation, as well as of some confusion, if the items are not scientifically grouped or properly co-ordinated; but from the point of view of enlightenment to the community, there can be no question this latter method is the best. Its one defect, from the popular standpoint, of containing a bewildering mass of figures, often too technical to be understood by the uninitiated citizen, can be easily removed, if those who are responsible for the preparation and presentation of the Municipal Budget cultivate a little of that art of pictorial representation of huge masses of figures, which would at a glance give an idea to the ordinary intelligent citizen. Curves and graphs and similar other methods o

Form and method of Budget Preparation and Presentation.

\* The New York Budget is on the latter plan and contains over 20,000 items.

pictorial summarising of serried columns of statistics are of the utmost utility in all forms of public accounting; and those responsible for the preparation and presentation of the Municipal Budget would be judged to be unmindful of their duties if they omit to give adequate illustrations summarising the city's accounts in as brief and intelligible a manner as possible, without sacrificing in the least the detailed statements that are, as it were, the life-blood of self-government.

Double ac-  
counting.

The possibility of confusion we have above alluded to arises out of the overlapping character of several municipal functions, and the varying bases on which municipal accounts are kept. Take a very simple illustration. If one city records the cost of its roads and their upkeep in the form of unit cost of each block of wood or brick or whatever other paving material may be used at the point of time when it is ready to be laid down into the street surface; and another city of equal importance, following the same method of road pavement, records its cost in the shape of so much per square yard or linear foot of the surface paved, the figures would be utterly useless for comparison, as they would be on wholly different bases. In the one case, the cost of labour in actually laying down the pavement will not have been included; while in the other that item would probably form as big a factor as any other single item in the total cost. In departments, moreover, which have both a production-cost and a distribution-cost, or overhead charges, the utmost care must be taken to see that an exact idea is given of the different kinds of cost as well as of the total cost.

The first requisite, then, of proper Budget-making for municipal authorities is a standardisation of accounts. The forms and schedules and heads of accounting ought to be as nearly as possible on identical lines, so that, comparison may be both easy and profitable. And that such comparisons may help to correct discrepancies or want of economy, if any, it would be best for the budget-making authority to represent the figures under each important head of accounting in unit form; i.e. so much per sq. yard of road surface, or per 100, or 1,000 of property, or whatever else the unit selected may be.

Separation of  
current from  
capital charges  
Independent  
Audit

Another desirable feature in sound budget-making is the separation of current from the capital charges. The accounts of capital works and of the capital receipts and expenditure ought to be always kept strictly apart from the accounts of recurring expenditure on the same works and projects. As a corollary, we may add, that the accounts of all forms of municipal indebtedness must be kept and submitted separately, including the provision for sinking fund charges, and the interest receipts on the same. Another desideratum in municipal budget-making is the report of a more or less explanatory and instructive character by some authority, which is not identical with or subor-

dinate to the authorities primarily responsible for the preparation of the Budget. In other words, an independent auditor-general, speaking directly to the municipal sovereign, should be empowered and required to submit his report or comments on the proposals of the authority primarily concerned with the preparation of the Budget. Usually, the auditor's function commences after the monies have been spent or received, and not before; but for a proper understanding of the budget proposals of each year, an informative and illuminating summary from an independent officer of the municipality ought to prove invaluable. Audit proper, after the receipts or disbursements have taken place, will be there, of course; and the scope and purpose of that audit, too, needs to be very considerably widened. The auditor must not take his task to consist in a mere tallying of the items with the authorisations; he must inquire in each case, and report upon it to the best of his ability, how far the main purpose of the Council was served in sanctioning a particular expenditure; how far real economy has been secured in each particular outlay, and whether there is room for improvement, besides carrying out the ordinary, mechanical audit. But over and above this *ex post facto* wisdom usually to be found in the auditor's reports, there must be an intelligent and an intelligible explanation from one who is conversant with all the departments and their needs in the municipality, so far as the financial side is concerned; and that his explanation should prove of the utmost utility to the city fathers, it is imperative that the officer furnishing it should be made independent of all the ordinary authorities under the municipality so that he may have no fears or favours to expect from them. Finally, before the Budget estimates are finally adopted, it is desirable in the highest degree that the individual estimates or groups be discussed publicly, so that if the Council as a whole or even the citizens *en masse* have any objections to offer against particular proposals, especially those relating to proposals for fresh or additional taxation, they should have an opportunity to do so. Public hearings of this kind may not commend themselves to municipal democracies so entirely in the embryonic stage as those in India. But there can be no doubt that a procedure like this would help to avoid many a contretemps which would otherwise culminate perhaps in a wholesale retirement of an otherwise efficient and satisfactory council or officer concerned.

## II.—Budget Procedure in the New York Municipality.

To illustrate what has been said above, let us take the example of the Budget practice in the New York Municipality.\* In that place, they have adopted the segregated or itemized Budget plan. The department of finance every year, somewhere about August, sends out to each spending department under the municipality specification forms, calling for detailed information explaining

The Itemised  
Budget in Ex-  
celais: Prepara-  
tion.

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\* This account has been condensed from Munro Op. Cit. pp. 447 et seq.

and justifying the requests for appropriations for the next year to be made therein. These forms are filled in by the departments concerned, giving the actual expenditure for the six months immediately preceding the date of the Budget estimate and for the whole year also, together with the proposed estimates for the next year in detail. There is also an account of the actual consumption of stores and supplies by the department concerned. For the purpose of obtaining a uniform basis for comparing the estimated expenditures with what has actually been spent in previous years, the finance department provides a standard classification of salaries, supplies and so forth, which must be used in all departments in submitting their estimates.

**Scrutiny.**

By September, these estimates are returned to the Finance department where they are carefully scrutinised by duly qualified examiners. In the event of differences, and in the course of the scrutiny, there may be conferences between the representatives of the finance department and those of the spending departments whose estimates may have been questioned by the examiners of the finance department; and at the end of these scrutinies and conferences, a report is submitted to the board of estimate and apportionment. Once again this board invites representations from the spending departments at the time of making each recommendation for appropriation, and from the examiner who has reported upon the same, in an oral conference. The Budget Committee decides in case of difference between the examiner and the spending department, and its final estimates are embodied and put forth in a "tentative Budget."

**Consideration.**

After the publication of the tentative budget, a series of public hearings on the proposals are held by the board of estimate and apportionment as a whole, when any tax-payer may offer representation for any increase in an appropriation, or object to appropriations already proposed if he is not in sympathy with the same. When these hearings are ended, the Board revises the budget finally, and adopts the same by or before the first of November.

**Adoption.**

From the board of estimate and appropriation, the budget next goes to the aldermen, who can reduce but cannot increase appropriations suggested in the original budget as sent to them. Twenty days are allowed to this authority to deal with the budget of the city; and at the end of the period, they must forward the budget to the Mayor, with such amendments as they have felt inclined to propose. The Mayor can veto their amendments, but the aldermen have a constitutional right to override the Mayor's veto by a three-fourths majority. The mayor may, by his veto, not merely negative an item; he can even restore an original item; and unless overridden as mentioned above, the mayor's decision stands. "As finally approved and adopted, the budget is then certified by the Mayor, Controller, and the City Clerk, whereupon with"

out further preliminaries the various amounts indicated in it are appropriated to their several purposes."

### III.—The Bombay Practice.

Contrast the foregoing with the practice prevailing in India, as indicated by the example of Bombay. The chief budget making authority is, in reality, the Commissioner. Under Section 125 of the Municipal Act, 1922, he must, on or before the 10th of November every year, prepare and submit to the Standing Committee, in a form prescribed for the purpose by that authority, an estimate of the expenditure for the next official year—which commences in India on the first of April,—which must or should, in the opinion of the Commissioner, be incurred by the Corporation. If any balance of an unspent appropriation is likely to be available for reappropriation or expenditure in the next year from the budget of the current year, he must also submit an estimate of the same. Balancing the estimated receipts and expenditure, he must make proposals for taxation which it would be necessary or expedient to impose.\* The Standing Committee then proceeds to discuss the proposals and estimates of the Commissioner with a view to prepare the final Budget. They can call for any further and more detailed information that they like, and can make what modifications and additions they like in the proposals of the Commissioner. Having completed this work, the Standing Committee prepares the Budget proper, containing an estimate of the income and expenditure of the Corporation for the ensuing year. This Budget must include proposals for the levy of such taxes and at such rate, and, in the case of town duties, on such articles, as the Standing Committee thinks proper. This Budget must also provide for the payment, as and when they fall due, of all instalments of principal and interest for which the Corporation may be liable.† There must, besides, be always maintained, at the end of the next year, a cash balance of not less than one lakh.

When the Budget has been finally approved by the Standing Committee, the Commissioner has it printed and forwards it to each councillor. The corporation begins to consider the Budget not later than the tenth of January, attention being first devoted to the Standing Committee's proposals for taxation.‡ Except in the event of a threatened deficit at the end of the year, or the likeli-

The Indian Model Preparation.

Consideration and adoption.

\* The corresponding section of the Calcutta Municipal Act, 1923 gives that power to the Chief Executive Officer. The wording is almost identical, except that the Calcutta Act also includes an estimate of the receipts, as well as of the expenditure; and that there is no standing committee as in Bombay between the Executive Officer and the Corporation. They allow much less time than in Bombay for the discussion of the Budget, the Executive officer preparing it only by or before the 10th of February.

† Op. Section 126 of the Act.

‡ Op. Section 128 of the Bombay Municipal Act, 1922.

hood of a cash balance of less than one lakh,\* the tax-rates fixed by the Corporation cannot be increased in the course of the official year; and even when they are to be increased or altered, the increase cannot be made except by the Corporation. In the course of its consideration, the Corporation is entitled to refer the Budget back to the Standing Committee for further consideration by that body; and if that course is not followed, the budget may be adopted by the Corporation, with or without any modifications they choose to make.

#### IV.—Criticism of the Municipal Budget-making in India.

Difference between the Indian and the American models.

In this description of the Budget procedure in Bombay, we miss the New York feature of public hearings of the estimates going to be adopted by the Corporation, as well as the right of the citizen to make such representation as he considers necessary on the subject. The authorities responsible for the preparation of the Budget are really the Commissioner, or the Chief Executive Officer, and the Standing Committee, though, of course, the final powers are in the hands of the Corporation as a whole. It may be doubted if it is sound in principle and safe in practice to leave such powers to the authority, which will eventually have the spending of the monies voted in his hands. In any case, there does not seem to be that thorough investigation in the real needs of the spending departments, nor that searching consideration in the yield of the various sources of municipal income, which would mark a proper kind of budget-making. The system of presenting the Budget in the aggregate of items is also open to criticism in the eyes of those who consider that sound financing demands that as far as possible the budget should make the most individual and minute provision separately on each item, if only to guarantee the final supremacy of the Municipal Council.

Critique of the Budget Policy in India.

Considering the general tendencies noticeable in the preparation and presentation of the Budget from the financial as contradistinguished from the constitutional standpoint, we remark a prevailing inclination to be rather over-cautious in making estimates for the revenue, and somewhat lavish in proposing scales of expenditure. This is a defect in the general financial system of India as a whole; for the older forms of Indian state revenues being uncertain owing to the vagaries of rainfall and the consequent variations in the agricultural produce, the financiers of the official class in India have evolved a tendency to be rather cautious in their estimate of the yield of revenues in every direction. But the consequence of this unjustifiable caution is the proportionately heavy incidence of taxation. We would not, indeed, advise the radical extreme of budgetting for a deficit deliberately; but we cannot avoid noticing

\* The conditions under which a variation or increase in the tax rates prescribed while the Budget is adopted may be necessary during the course of the year are mentioned in Sections 134 and 196. It is noteworthy that even in such cases, the financial authorities are first expected to consider cuts in expenditure.

this financial tendency, which is at bottom connected with that absence of detailed material on which to found the Budget estimates, which has already been mentioned.

### V.—Municipal Accounting System, and Auditing.

Sound financing for the city, however, is as much dependent on correct estimating of the revenue and the expenditure of the city in advance, as on an efficient and scientific accounting system. We have already mentioned the fact in connection with the suggestion that the presentment of the city's accounts will be facilitated if the accounts were standardised, and expressed in some definite per-unit form. "The accounting system of a city may be defined as the procedure by which the city puts all its business transactions on record and co-ordinates the data in these records so that they may be used intelligently."\* It is not merely a help in comparison between city and city, but also of service in educating the municipal sovereign as to the manner in which the civic house-keeping is conducted. Importance of sound accounting.

We must, however, distinguish between accounts and statistics. Accounts are not by themselves statistics, but rather the basis from which statistics may be prepared. And the manner in which the accounts are kept would go a great way in compiling interesting and instructive statistics. "To translate a host of routine transactions into a few lines of statistical generalisation to picture the entries of a whole ledger in a striking series of graphs or curves, to set forth the balance sheet of a year's business in terms which he who runs may read and understand,—these are things which it takes both training and imagination to do"† Accounts vs. statistics

To secure a proper system of accounting in municipal finance, the ordinary rules of public account-keeping, e.g. that all the unspent balances must lapse at the end of the official year, and may be regranted if the supreme authority so desires; or that all the receipts and disbursements in a given period must be credited and debited in that year or period,—must be regularly enforced. Some definite basis will also have to be provided for recording the value of services interchanged between the departments of the municipality, so that nothing may be wasted or pass unnoticed or unrecorded. And the distinction between capital and revenue accounts, already mentioned, must be maintained on concrete, easily intelligible standards prescribed by the supreme authority in the municipality. Some Standing Rules of Public Accounting

As regards minor details, the utmost attention will have to be devoted to a proper accounting on the paying side particularly, as there is the greatest Detail Rules

\* Munro Op. Cit. p. 460-461.

† Cp. Ibid. p. 463.



possibility for waste on that side. On the revenue side, too, sound account-keeping is not the less a desideratum; and for the proper appreciation of the services of the City, we cannot emphasise too much the accurate and clear record on the revenue side of the municipal balance-sheet. But in the case of Expenditure, the danger of waste or embezzlement being much greater, a proper accounting system becomes all the more necessary. Hence it is, that even in cities which do not maintain a special office of the City Treasurer, the rules regarding the signing of cheques, and warrants on the city's Bank or Treasury for the payment of specified sums have to be very precise and definite. The signature, moreover, on all such cheques, warrants or orders for payment, will have to be of more than one authority,—usually the highest available in each case, the one signing and the other countersigning, checking automatically by this simple expedient of countersignature the action of his colleague. If these two or more signatories are from different departments,—the signing officer being of the department directly concerned in making the payment, and the countersigning officer being of the accounts or audit department; and if the rules have been laid down regarding the authority to sign orders of varying amounts, the danger we have noticed above will be minimised. The signing and countersigning authority must, of course, see that the demand for payment is properly supported by a specific appropriation made in that behalf by the Corporation, or that there is a general grant covering the particular item comprised in the demand; and they must also verify that the authority or officer making the demand for payment has the power to do so. To facilitate these two requirements, it would be as well to insist that each demand for payment of a particular sum must be accompanied by a copy of the appropriation covering the demand, and of the authority or reference to the authority empowering the officer concerned to make such a demand. The task, however, of safeguarding the city's monies would even then have been but half done. For it still remains to see, before paying out of the city's funds, whether the services or materials claimed to have been supplied to the city have been actually received. No payments should, ordinarily speaking, be made in advance; for otherwise the city's resources run the risk of being wasted and dissipated without any benefit at all to the city.

**Efficient audit.** To maintain these rules in practice, to see that due effect has been regularly given to them and is being constantly given, it is necessary to have an equally efficient audit system. The accounts will be properly kept by the accounts clerks in each department, and will be consolidated in the central accounting department of the city. But that these accounts are both regular and systematic, and perfectly in accord with the principles we have outlined above, it is desirable in the highest degree that the accounts of each department must be from time to time audited, either by an officer of the department itself, or

by an inspector or auditor from the central audit office of the city. The internal audit of each department must merely be regarded as a measure of additional safety or precaution by and for the officers of the department concerned; it cannot supersede the audit by the central audit office of all the accounts of the entire Municipality. And that this last-mentioned audit may be perfect, it is advisable to make of the audit officers altogether independent authorities, who can freely and fearlessly give out their opinion, without any dread of superior displeasure deflecting them from the plain path of duty. The hardest task of such auditors will be to place an accurate valuation on the city's stores or accumulated supplies to be carried forward from one year to another; and it is also in this, that the danger lurks of the greatest possibility of waste. The city council must therefore lay down definite rules for the valuation of stores, making due allowance for the depreciation, if any; and writing off promptly such depreciation instead of allowing it to accumulate till it becomes a veritable incubus on the resources of the city.

In accounting and audit rules of the kind we have outlined above, there is some risk of the several departments of the city's activities suffering by too much rigidity. We cannot, of course, ignore the fact that the actual work of the municipality cannot always keep so strictly to programme, as just precisely to exhaust all the appropriations at the last minute of the last working day in a year, neither more nor less. There will almost always be chances of the estimates varying upwards or downwards; and while there may be no wastage from estimates having proved excessive and the consequent savings in the outlay, there is the constant fear of the estimate proving inadequate to the actual requirements. In such cases, we do not intend, of course, that the work of the city should be held up until the cumbrous machinery of the budget making authority has been set in motion afresh. <sup>Supplementary</sup> votes for additional appropriations are general in all large municipalities; and those that want to avoid this method of making up the deficit between estimates and actuals in the course of a year adopt the system of a contingency reserve fund, which for relatively small amounts may be indented on, and the work continued. Either of these two methods, is however, clearly preferable to the method under which the spending departments specialise in postponing the orders for payments at the close of the year when they have exceeded their appropriations, intending to make good the balance from the next year's vote. This practice directly, makes for embezzlement; and the municipal authorities cannot too strongly put down their foot against it.

#### VI.—Accounting and Audit System in Indian Municipalities (Bombay)

The model aimed at in the system of municipal accounting and audit in India may be gleaned from the following summary of the legal provisions on the <sup>Accounting and Audit System in</sup> subject in Bombay and Calcutta.

**Bombay.** In Bombay, all the monies from any source whatsoever (except fines imposed on municipal officers and servants, which are to be credited separately) receivable on account of the Municipality, are received by the Municipal Commissioner,\* and paid by him into the Bank of Bombay to the credit of an account entitled "the account of the Municipal Fund of the city of Bombay"† With the exception of funds payable under the provisions of Ss. 518, 519, and 520 of the Act, all payments of over Rs. 100 in amount are to be made by a cheque on this bank, signed by the Municipal Commissioner, the Municipal Secretary and a member of the Standing Committee, who must attend at the chief municipal office for this purpose at least twice a week. If the Commissioner is ill or out of the city, the cheque should be signed by 2 members of the Standing Committee and the Secretary. Smaller payments may be made by the Commissioner in cash; and he may keep with himself for such purposes sums drawn against cheque of not more than Rs. 1,000 signed and countersigned as above (S. 113.) The Act says nothing about the internal regulations of the Municipal Corporation for the submission of dockets or requests to the Commissioner by the several departments; but such internal rules of procedure must, we think, take account of those principles of sound financial administration, whereby the spending authority itself must not be allowed to have the power of drawing monies and authorising its actual spending. The practice of the Bank of England as regards payments of Treasury Warrants may be adopted with great profit in the expenditure of all public institutions. The Commissioner is, in Bombay, the chief executive officer; and though he may not be directly connected himself with the spending of monies in any department, the grant of the power of drawing cheques to such an officer ought to be, and has been quite rightly, safeguarded by the provisions relating to countersignature. In this regard, the provision in the Calcutta Act (S. 83)

**Calcutta.** is open to criticism as safeguarding inadequately the lay out of the municipal Fund, since it permits cheques to be drawn and signed by any two of the following:—the Executive Officer, the Deputy Executive Officer, the Secretary and the Chief Accountant; and since it allows the executive officer the somewhat unusual authority to nominate a substitute, as it were, in the event

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\* Cp. Sections 111 and 112 of the Bombay Municipal Act, 1922. The corresponding sections of the Calcutta Municipal Act, 1923, (ss. 80 and 81) are terse and to the point with admirable brevity. Says Section 80:—

80 "There shall be one Municipal Fund, and it shall be held by the Corporation in trust for the purposes of this Act, subject to the provisions therein contained."

81 "(1) All monies realised or realisable under this Act shall be credited to the Municipal Fund.

(2) The balances standing at the credit of the several municipal funds of the Corporation at the commencement of this Act, and all interest and profit arising from any investment and from any transaction in connection with any of the said municipal funds shall be transferred to the said municipal fund."

† The Act speaks of the Bank of Bombay; but as the old Presidency Bank of that name has been long since abolished and incorporated in the Imperial Bank of India, the institution now meant is presumably the Imperial Bank of India.

of his own and his colleagues' illness or absence simultaneously. On the other hand, the distinct statutory provision in Calcutta, under S.86, whereby :—

“Before any person authorised under section 83 signs a cheque, he shall satisfy himself that the sum for which such cheque is drawn is either (a) required for a purpose or work specifically sanctioned by the proper authority and covered by a current budget grant, or (b) required for any payment referred to or specified in the proviso to section 85.”

leaves no room in that place for any neglect of the most elementary and salutary maxims of sound financial administration.

We may note in passing, as a curiosity in this procedure, the provisions of Section 114 in Bombay :—

A special  
Feature in  
Bombay.

“Notwithstanding anything contained in the two last preceding sections, the Commissioner may, with the approval of the standing committee, from time to time, remit any portion of the municipal fund to a bank or other agency at any place beyond the city at which it may be desirable for the corporation to have funds in deposit, and any money payable to the credit of the municipal fund or chargeable thereagainst, which can, in the opinion of the Commissioner, be most conveniently paid into or out of the said account of the corporation at such bank or agency, may be so paid.”

It is difficult to understand at first sight what this extraordinary power is intended for. Presumably the permission would not, or ought not to, apply to the case of payments to be made outside India; and the deposit of municipal funds in a bank outside India cannot, accordingly, be covered by such enactment. If that, however, is the meaning and intention of this section, all we can say is that it is inconsistent with the spirit and purpose of municipal administration. All foreign remittances, if and when due, should be made in the ordinary course of such business, and by means of cheques drawn in the usual way.

Payments out of the municipal fund cannot be made, unless the sums mentioned in the cheque are covered by an unexpired budget grant, and if a sufficient balance of the same is available notwithstanding any reduction or modification of the original grant.\* Exceptions to this rule are of a routine or statutory character. We think, however, that “refunds of taxes..... which the Commissioner is by or under this Act authorised to make” ought not to be left to the sole authority of the Commissioner, since in these refunds is involved something more than a merely ministerial duty.

Modus Operandi of Payments.

In accounting proper, and in their audit, the practice enjoined on the leading municipalities by specific statutory requirements is instructive as much in its similarity as in its difference. In Calcutta, a specific section (120) demands a proper and regular keeping of the accounts, while in Bombay that function seems to be taken for granted. There is, however, an internal audit by the

Audit and Auditors.

\* Cp. S. 115 of the Bombay Act, and S. 85 of the Calcutta Act.

Standing Committee in Bombay, which seems to be unknown in Calcutta. This, however, serves as an internal audit, and offers a check on the spending departments almost as soon as the indents for money have been submitted.\* It may be desirable to extend this feature to all other municipalities and their accounts, and also be copied in the accounts of all the departments themselves. For a proper, official audit, the Municipality is enjoined, by S. 136 in Bombay, to appoint auditors; and the powers and duties of such auditors have been thus summarised by the Sections (136, 137) bearing on the subject :—

“(2) The auditors so appointed may—

- (a) by summons in writing, require the production before them of any book, deed, contract, account, voucher or other document or paper necessary for the proper conduct of their audit;
- (b) by summons in writing, require any person having the custody or control of, or accountable for, any such book, deed, contract, account, voucher, or other document or paper, to appear in person before them;
- (c) require any person so appearing before them to make and sign a declaration with respect to such book, deed, contract, account, voucher, or other document or paper.

(3) The auditors so appointed shall receive such reasonable remuneration, not exceeding in the whole fifteen thousand rupees per annum, as the corporation shall from time to time determine.

137 (1) The auditors so appointed shall forthwith report to the standing committee any material impropriety or irregularity which they may at any time observe in the expenditure or in the recovery of monies due to the corporation or in the municipal accounts; and shall furnish to the standing committee such information as the said committee may from time to time require concerning the progress of their audit, and shall, as soon as may be after the commencement of each official year deliver to the standing committee a report upon the whole of the municipal accounts for the previous official year.

The Calcutta provision is in almost identical language. Both these sections, however, omit to take stock of the most important function of auditors of public accounts, viz. a critical estimate of the real economy of the working of the financial department and constructive advice to the municipal authorities for further economies or efficiency wherever possible. Unless auditors are required to take a broader view of their duties than a mere mechanical tallying of the accounts recorded with the vouchers, there can be no hope of substantial economies being effected in municipal finance.

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\* Op. S. 135 of the Bombay Act : “The Standing Committee shall conduct, or cause to be conducted under their superintendence, a weekly scrutiny of the municipal accounts, and publish weekly an abstract of the receipts and expenditure of the week last preceding, signed by not less than two members of the said committee and by the municipal secretary.

(2) For this purpose the standing committee shall have access to all the municipal accounts and to records and correspondence relating thereto, and the Commissioner shall forthwith furnish to the standing committee any explanation concerning receipts and disbursements to which thus may call for.

In Calcutta, there is further the provision obliging the corporation to re-  
 port to the Government the action taken by them,—or, in the case of a difference  
 of opinion between the auditors and the corporation, the action they propose  
 to take,—in regard to any defects or irregularities pointed out to them by the  
 auditors; and the Government is authorised by law to issue such orders as  
 they may deem necessary and proper on the matter, their orders being final  
 on the subject.\* In Bombay, this somewhat suspicious provision does not  
 obtain; but instead, Government is authorised by law to appoint at any time  
 an auditor for the purpose of making a special audit of the municipal accounts  
 and for reporting to Government. Such an auditor has all the powers that the  
 auditor appointed by the Corporation has; and the cost of such audit, as  
 fixed by Government, is chargeable to the municipal fund.† This outside  
 power is in a way useful and salutary, though it may be looked upon by  
 hypersensitive municipal councillors as derogatory to the authority of the  
 municipality. The Municipal Council is, in the theory of municipal government,  
 really responsible to the citizens; and the supreme auditing of the kind here  
 envisaged ought, in strictness, to be vested in the real sovereign of the muni-  
 cipality. But the want of proper organisation by the citizens or voters as a  
 whole makes it difficult, if not impossible, to institute such powers; and so  
 perhaps it is for the best that, for the time being at least, these powers of  
 superior or outside audit should continue to be vested in the Government as  
 the representative of the community as a whole.

## VII.—Suggestions for Reform in the Organisation of Accounts and Audit.

After the foregoing survey of the organisation of the finance department  
 and of the accounts and audit in the Indian municipalities, it would not, we  
 think, be out of place to summarise here the suggestions already made or im-  
 plied in the above description. It is, we think, of the utmost importance that  
 a separate, distinct, and somewhat independent financial authority should be  
 instituted in the municipal council to advise the council in all questions of  
 finance, not only in the narrow manner habitual to the modern executive  
 officers of the Indian municipalities, but in a manner which would take due  
 account of the problem of real welfare in the city and of the citizens. A city  
 treasurer bearing responsibility definitely to the municipal council, in the general  
 scheme of municipal Home Rule outlined in Book I, may not at all be a bad idea,  
 if such an officer is made the supreme finance minister of the city, included in the  
 civic cabinet, and advising the city fathers on the real financial bearings and pos-  
 sibilities of each several scheme of social reform or business enterprise pro-  
 posed to be undertaken by the city. But such an officer, if appointed, will have  
 to be distinct from the chief auditor of the city's accounts. However appoint-

Special Finan-  
 cial adviser.

\* Cp. S. 123 of the Calcutta Municipal Act.

† Cp. S. 138 of the Bombay Municipal Act of 1922.

ed,—we think the mode of appointment now obtaining in this connection is quite serviceable,—the city auditor specially appointed to audit the civic accounts ought to have an independent position. As a member of the civic cabinet, or even a subordinate to the chief treasurer of the city, such an officer will either lack the permanence of tenure, or independence of authority and outlook, which we think highly desirable in a proper auditor. The revolution, however, which we desire to see effected in the organisation of the financial department in the Indian municipalities, consists in having some distinct authority, responsible as well as independent, who would be competent and empowered to advise on technical questions of municipal finance; and whose advice would be not so much in the nature of *ex post facto* homilies on the irregularities and improprieties discovered in the past year's accounts;—these will of course have to be exposed and remedied; and the showing of them may quite properly be included in the duties of the financial adviser we contemplate and recommend in this place,\*—but rather as a prophecy based on sound premises which the city fathers cannot ignore except on peril of dislocating the financial system of the city. In view of the vast expansion in the functions of the city we have recommended, and particularly on account of the inclusion of great industrial and business enterprise in the city's normal activities, there is no help but to suggest some such institution for special advice on all questions of finance. And we think the cost of such a special finance department, consolidating the entire financial administration of the city, would be more than repaid in the economies which a properly qualified financier cannot but achieve in the finances of the municipality.

External control.

Besides this suggestion of a special finance department and financial adviser, other suggestions for improvement will seem to be of second-rate importance. Nevertheless, we cannot omit the necessity of some outside control whether by Government as representing the community as a whole, or by the organised voters as representing the final authority in the city, over the financial administration of the city, in the shape, usually, of an independent audit of the city's accounts from time to time. For our part, we would prefer the latter; but we realised the difficulty of unorganised mass action; and so shall be content for the time being to leave this authority in the hands of the Government. We would not, however, have this authority to be a dead letter. It can do no harm to the finances of the city that from time to time, say once in three years, some such outside scrutiny is instituted, for the better information of the citizens regarding the financial achievements of the city council.

Modus operandi of payments.

We have already suggested changes in the procedure for drawing cheques, for making payments, as well as for preparing estimates for the ensuing year

\* The irregularities of Rs. 26 lakhs in the accounts of the Bombay Municipal Corporation for 1924-25,—whatever and however sound the explanation—would seem to point clearly to the need of some such special officer as we have here advocated.

which need not be repeated here, as being of a routine character and of minor importance. All that we need add, in conclusion, is that the financial efficiency is of as much importance in city government as in the government of the state as a whole; and though the variety of functions may not be quite so bewildering in the case of the city as it usually is in the case of the state, there can be no doubt that the rightly planned activities of a city council can influence for the better, and in innumerable directions, the welfare of the citizens. But this welfare, this influence, will be impossible without a proper attention to the finances of the city, whose proper co-ordination on the revenue as well as expenditure side, is the only guarantee for the successful undertaking and satisfactory discharge of all the functions entrusted to the city government.



## CHAPTER XII.

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### SUMMARY OF SUGGESTIONS AND RECOMMENDATIONS ON MUNICIPAL FINANCE.

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We have now completed a survey of the main problems of Municipal Finance; and it remains only to bring together here, for convenience of reference, the outstanding suggestions or recommendations of a constructive character our study has necessitated.

The foremost point of general importance, brought out by a systematic study of the finances of Municipalities, concerns the need to maintain the **essentially local character of Municipal finances**. Translated in the more practical phraseology of the municipal financier, this characteristic would enjoin upon him that while **all municipal expenditure should be so laid out as to localise the benefit thereof as much as possible, all taxes and other forms of municipal income must be so devised as to restrict the burden of such income to the citizens or the property within the municipal jurisdiction only, leaving no possibility for a shifting of the burden to outsiders.**

This, it may be remarked incidentally, is the main, if not the only, distinction between the municipal and the national finance, which in all other respects are closely similar, and are distinguishable from private finance whether of individuals or of corporations. There is one point, however, of this similarity which demands a particular mention even in this summary. Public financing of all kinds is generally and rightly supposed to have a close bearing on social reconstruction, particularly with a view to bring about a more even and equitable distribution of the wealth of the community; but municipal financing can achieve the readjustment of this initial maladjustment only by indirect means of increasing the services, amenities, and opportunities open to citizens of all classes, while the national financier can achieve his aim of such reconstruction by direct measures.

In the general lay-out and planning of municipal finance, **the factors** or ingredients **most** conspicuous by their **absence** to-day are **co-operation and co-ordination**. Between revenue and expenditure, between national and municipal finance, between the benefits and burdens, there lacks that conscious co-ordination, which is, in our opinion, indispensable to a sound financial organisation.

To achieve a better co-ordination of the resources and obligation, it would be as well to begin with a **re-classification on more scientific lines** of the several heads of municipal revenue and expenditure. Simplification of the revenue system,

and exact estimating of the burdens or benefits of the several classes would then be more easily feasible than now, when a bewildering maze of principles or conditions seem to affect and confuse these matters.

## II.—Municipal Expenditure.

**Expenditure is, in the case of municipal, as in regard to National, finance, the determining factor.** For there are certain primary classes of outlay which are imperative, which are the irreducible minima that no municipality can ignore. Opinions may differ as to what constitutes these classes of primary, imperative, irreducible expenditure; but the general consensus seems to be that all expenditure for securing and promoting public health, public convenience, public safety, and public instruction must be considered to be of a primary and imperative character. What specific functions should be included and what exact activities should be embraced in these imperative duties of Municipalities may vary with the strength of local enthusiasm and collective sentiment, though in each case there may be some irreducible minimum which cannot or ought not to be reduced. Thus the municipal obligation to educate the whole city, at least in the bare rudiments of human knowledge, must be postulated as such a minimum; and in the train of such an obligation must be included free, universal, compulsory, primary education, and a much more expensive and extensive provision of technical or vocational education. Much that is often known in Indian municipalities as higher education ought, we think, to fall to the share of the average citizen. But the cardinal principle of Educational Finance by municipalities must never be ignored that **such expenditure should not be provided out of any special Education Rate or Tax;** for then the benefit intended to be conferred will be converted into a burden in the eye of the ordinary citizen. All such expenditure of a primary character should be met out of the general Municipal Fund made up of the proceeds of the general Tax.

The object of all municipal expenditure is to render some service to the community. When, therefore, a doubt arises as to whether or not a given item of public expenditure is productive, the decision must be made according to the ability of that item to render service. In such cases, however,—as the expenditure for erecting school buildings,—which may be considered to be of a capital nature though unbalanced by any monetary return, we think it would be the most economical course to provide for such outlay out of the current revenues; or, if they are insufficient, even for the ordinary recurring needs of the municipality, then out of special subventions from Government, earmarked for the purpose.

## III.—Municipal Revenue.

On the revenue side **the most imperative reform, in our opinion, is the simplification of the entire revenue system.** Subject to the general proposition that

municipal revenues should be raised as far as possible from objects or persons situated within the municipal jurisdiction, we may lay it down as a reform to be desired in the municipal revenue system :

- (1) that taxation should be reduced to the absolute minimum, if not abolished altogether ;
- (2) that in any case the indirect taxes like town duties or octroi should be abolished ;
- (3) that the deficit caused by that abolition should be made good by the increased rate of direct taxes in proportion, or by the development of municipal enterprise.
- (4) the German policy of Municipal financing, viz., that taxation should be resorted to only when the receipts from Municipal Trading Enterprise fails, ought to be adopted and given effect to increasingly in our municipal finance.

For our part we would prefer the latter; and have elaborated in the course of this Book several directions in which municipal enterprise can be profitably extended.

Enterprises like a Municipal Bank and Pawn-shops, or a municipalised industrial insurance, as well as a municipalised public service of all kinds, will have both the revenue and the expenditure side. But the object in all such municipal activities is that of rendering a service, and not of getting a revenue for the Municipality. Hence in activities like those connected with the provision of transport facilities, for example, since the object is to render a service, attention will have to be paid to the reduction of fares every time that there is a surplus profit available, and not merely to the use of this profit for the benefit of the municipal treasury. Each service must, of course, first be made self-supporting, where it is permissible to make such charge for the rendering of such service; but when the service has become self-supporting and begins to yield a profit, the disposal of that profit must be so made as to secure in equal proportions the interest of the consumer and of the producer of that service. Similarly, too, in the suggestion regarding municipalisation of charities, the facility for co-ordination and collective management is in itself a good excuse for such suggestion; but apart from that, there is the consideration that the municipalisation of such charities would enable a civic authority to undertake many an extension of municipal activities,—like the construction of schools and school-buildings, or the provision of hospitals with all the equipment they desire,—which would be otherwise impossible without recourse to borrowing.

We consider the object of municipal financing ought to be to add as far as possible to the wealth and well-being of the citizens and not to deduct therefrom. Hence taxation, which is a compulsory deduction from the wealth of all private citi-

zens must, as far as possible, be replaced by the extension of municipal enterprise in profitable ventures, so that **eventually all taxation, as we now know it, is abolished and its place taken by the profits or surplus from municipal enterprise,** which would then provide for the non-productive services of education and safety or health for the citizens.

While, however, **taxation** remains indispensable, we must remember the guiding principles of such taxation. It **must be purely of local incidence** and incapable of being shifted to any property or person outside the municipal jurisdiction. The largest portion of municipal tax receipts are derived from the taxation of property; but that taxation appears to us to be unfair and uneconomical, first because it excludes **taxation of personal property**; and secondly because it is based on methods which will not bring to the municipal treasury all that it would be entitled to. We therefore suggest that **personal property should be included in the municipal taxation** just as much as real property. And as regards the basis of assessing properties for taxation, we consider **the sale value to be preferable to the annual value.** Of course the assessment must be made in accordance with the scientific principles of valuing the property taxed; and even when so valued, the valuation should be subject to revision periodically. The evasion of the tax by allowing land to be unused can be avoided if a **special tax is levied on vacant land.** And where the Municipality desires to develop for residential purposes particular areas, it would be as well to impose this tax on vacant land at a higher rate than the similar tax in other parts of the city. Conversely, if after the property has been assessed and tax levied, there should take place any unexpected increment in the value of such a lot, the municipality should be presumed to have a right to the full extent of the increment in value brought about by social factors or by municipal activities. **Hence the taxation of such increment ought to be an integral factor of the municipal budget.** In the case of personal property, assessment would be easy if the municipality enforced the system of **universal registration and compulsory insurance of all kinds of property against fire, burglary etc.** The aid of individual declarations also may be resorted to. **The duties for primary purposes, like water supply or scavenging, or Education must be included in the general property tax** and ought not to be separately charged for. Where, however, this is not practicable, the water tax as well as the scavenging tax should be proportioned to the value of the service actually received,—subject to a fixed minimum in any case.

The **existing concessions** in regard to property taxes in Indian Municipalities to public bodies like railways, port-trusts, or improvement trusts, seem to us to be **unjustifiable**; as these are themselves commercial or earning bodies, which ought to be rather made part of municipal activities, and will then provide automatically their contribution to the municipal treasury. We have accordingly recommended the **municipalisation of at least the suburban lines of the main railways**

in such cities as Bombay and Calcutta. Exemption from municipal taxation or concession may, however, be granted to buildings and property owned by such public benefit corporations, as the co-operative societies or educational institutions like the University, and any other charitable organisation which is still allowed to be carried on under private management, though not for private profit.

Taxes on trades and profession are in the nature of **direct taxation**, which we have preferred to indirect taxes, one of whose greatest blemishes in our eyes is the necessity for refund and the costliness of their administration. This **direct tax on trades and professions may be regarded as akin to the income tax** though more simple in administration and more direct in incidence. **Taxes on animals and vehicles may also be regarded as a direct tax**, if we hold animals and vehicles to be a form of property which may be used for deriving profit to the owner. All these direct taxes, however, find their greatest justification in their ability to permit graduation according to the ability or capability of the tax-paying citizen or the tax-paying property. And hence as regards taxes on trades and professions, they may be apportioned to the turnover or profit from the trade and profession, and the tax on animals and vehicles according to the value of the animal and vehicle and other distinguishing features.

As a curiosity in municipal revenue, we may mention the possibility of **special taxation, at a very heavy rate, of race-horses and race-courses** with all their paraphernalia. These taxes will have an ethical as well as economic side, which also reproduce themselves in all taxes on amusements in general. In India, the tax on amusements in the shape of theatrical entertainment is still within the jurisdiction of provincial governments and not of municipalities. **We advocate, however, the municipalisation of the theatre including the cinema**; and therefore the taxation of these sources becomes unnecessary. The municipalisation of theatres and cinema is recommended as much for educative reasons as for the possibility of pecuniary profit therefrom.

**Taxation of pilgrims** would be a means of utilising the special advantages of a municipality, which, however, would offend against our general principle that all municipal taxes should fall upon the persons or property within the municipal jurisdiction. Except in the case of specially favoured cities, like Benares, the taxation on pilgrims is hardly an item which cannot be replaced, as the visits of pilgrims help to stimulate the trade of the municipality, in many another direction and thereby add to the revenue of the municipality indirectly. **We do not think it advisable to maintain the somewhat invidious tax on pilgrims.**

As regards taxation of an increment in value of properties already recommended, we think the Municipality is entitled in principle to all such increments,

which have been brought about by social reasons of general civic improvement, rather than by the personal exertions of the property-owners themselves. This may be achieved by the system of **universal registration** of all properties compulsorily, and the taxation of the same on **sale or transfer** where the increment in value actually manifests itself. With such a tax, the more important, at least, of the Indian municipalities will find a considerable increase in their resources and greater ability to grant tax exemptions or abatements of a much more equitable kind.

The **dues** charged by an enterprising municipality for the services rendered to its citizens, **must always be distinguished from the prices** ordinarily charged by commercial ventures for their usual activities. The primary object of every kind of Municipal enterprise is to render a service, to confer a benefit, and not to gain a revenue. If revenue nevertheless results from a municipal activity or enterprise, it must be incidental only. We have therefore recommended that **all primary services**—like water supply, drainage facilities, education, lighting &c.,—**should be performed out of the proceeds of a general property tax** without any special charge or tax for them. In enterprises which are not of this primary class, the charges must be approximated, as far as possible, to the cost of production. The municipality will, in many such ventures, be a monopolist; but it can not adopt the usual tactics of commercial monopolists to charge the highest price which would secure for itself the greatest profit. For there must always be present to the ratemaking authority of the municipality other considerations besides those of pecuniary profit; and that authority would, therefore, so frame its charges as to stimulate the demand to the utmost and put forward supply in proportion.

Where it is not practicable to assume direct ownership, control and management of profitable trading ventures dealing with Public Service Utilities; and where accordingly such ventures are left in private profit-seeking hands, **the Municipality will have to tax these Public Service corporations like Gas companies, Tramway companies, Light companies &c.** The tax would be most economical if levied on the general turnover of these corporations; but other indications of their taxable capacity may also be provided by these companies' plant and establishment, or their profits. In any case, the Municipal tax on such companies should be proportioned to the tribute they levy from the citizens; and must not be such as would be shifted by these corporations on to the citizens. Careful prescribing of their rates would go a long way to accomplish this aim; a low, uniform charge irrespective of consumption e.g. a flat one anna tramway fare regardless of the distance travelled being an excellent device for the purpose. By this means the consumers as well as the city would be benefitted, and these Public Service Utility Supply Corporations in no way unfairly penalised. And the Municipal authority would also be able to get the workers in such concerns a higher standard of living,

though, of course, this last would be much better achieved by a direct ownership and management of such services by the Municipality itself. Discriminating charges may however be permitted, e.g. in regard to the use of natural springs by foreigners.

#### IV.—Municipal Borrowing.

Borrowing for the municipality may be as inevitable as it is for the State ; but it can be and should be made far more economical. As a general rule, it may be asserted, that **borrowed funds should not be used**, and that borrowing should not be resorted to by the Municipality, **except for the construction of productive works** ; though productivity in this case is to be measured not so much by the net money return to the Municipality, as by the real service rendered to the citizens. Hence, as a corollary, we have recommended that even such capital outlay as that required for school-buildings or hospital structures should be financed as far as possible out of current revenues ; and, where that fails, out of special subventions granted for the purpose by the State. In America, all the capital expenditure necessary for school-buildings and equipment has been generally met by the sale of portions of the vast public domain which the State there owns. In this country no such alternative is possible, and so we have recommended special grants from the State, rather than advise municipalities, to borrow for the purpose, if the ordinary resources of the Municipality are not sufficient,—as they are likely not to be,—for the construction of schools necessary to give effect to a policy of compulsory, universal, and free, primary instruction to all children in the city. **The establishment of proper Sinking Funds is desirable** ; but greater economy would be secured by a policy of consolidation or funding of all municipal obligations. **Rigid accounting and auditing must be the inexorable rule in municipal financial administration** and nowhere should that rigidity be so evident as in the case of the accounts of borrowed funds. **Outside audit from time to time, e.g. by the Government, though apparently an infringement of the municipal autonomy, seems to be unobjectionable for the maintenance of municipal credit.** At any rate, all ventures which have been specifically subsidised by the State will demand to be audited by the officers appointed by the state from time to time, over and above the audit of the municipality in the ordinary course. And, in this connection of specific subsidies by the State, it may be mentioned that these should never be allowable, except in the case of municipalities too poor to carry out of their own resources even the primary functions. In no case should these grants be given merely to make the two sides of the account meet in a municipal budget.

#### V.—Organisation.

In regard to organisation for municipal financial administration, we think it would conduce to economy as well as efficiency if all authorities dealing with the

city are consolidated and concentrated in the Municipal Council by being made subordinate and responsible to that body. In other words, the prevailing policy in India of separating the Port authority from the municipality, or a City Improvement authority, or a Development Department, is needlessly bad, being cumbrous as well as wasteful. With the consolidation of these various bodies in the municipal council, the various sources of income can be adjusted scientifically according to the real capability of each source of taxation or otherwise; and the full benefit of each item of expenditure secured to the civic public. Thus Port Trust Dues are a tax usually on the trade passing through the port; and in so far as such taxation has a deleterious effect on the trade, and through it on the general prosperity of the port city, the charges ought to be condemned. With a common purse and joint search for revenues, the central, consolidated municipal authority, including Port administration, will so frame its revenue schedules as to make such hardships on the main sources of the prosperity of the city the least possible.

#### VI.—Municipalisation of Industries.

The trading enterprises recommended hitherto as fit subjects for immediate municipalisation were all such as had an important element of common serviceability or utility to the community. In other industries, also, which directly render no service to the community as a community, but which are nevertheless of immense importance as sources of livelihood to considerable sections of the civic population, the collective ownership and management under municipal authority would eliminate many of those periodical evils of overproduction and crisis and depression which are the inevitable concomitants of large scale industry motivated exclusively by the sentiment of private profit. And this without considering the fate of the operatives or wage-earners engaged in those industries. In so far as these industries, by the very nature of their operations, are localised, we would advocate an immediate municipalisation of the same, both in order to secure all the possible internal and external economies feasible in the industry by the extension of the scale of operations and to avoid waste resulting from internecine competition, as well as to promote the interests and welfare of the wage-earning operatives and secure a more equitable distribution of the wealth of the city. Of such industries, we consider the Cotton Spinning and Weaving Industry in Bombay; the Jute Manufacturing Industry in Calcutta; the leather and woollen industry in Cawnpore; sugar-refining in Poona; Cotton manufactures in Ahmedabad, Hydroelectric works in cities along the foot of the ghats to be immediately ready for such a municipalisation. The present shareholders or proprietors in these industries may be invited to exchange their holdings in these corporations for duly secured municipal bonds of equivalent value, with a definite, fixed interest secured as to debenture-holders. And the surplus, if any,—there is bound to be a handsome surplus in all the industries named, if only they are properly conducted,—



should be divided in stated, equitable proportions between the operatives in the industry,—in the shape of an addition to their wages,—and the consumers in the shape of a reduction in the price of the commodity municipalised.

Apart from these highly localised industries, there are others which may be attempted by any municipality. In the body of this Book, we have instanced **Banking and Insurance** of all kinds. These are not strictly speaking productive industries; but they are indispensable adjuncts and facilities for production, which it would be fatal to ignore or neglect. For he who controls the financial machine to-day controls the entire domain of industry and commerce, and even dictates the general policy of a people, and their government.

### VII.—General Financial Organisation.

We have already referred to one cardinal principle of financial organisation in the municipalities, viz. **the concentration or consolidation of authorities dealing with the finances of the city**. Let us mention here another, and seemingly an opposite one. All cities should not be cast in the same mould, by a uniform financial constitution. Originality and independence must be stimulated and latitude afforded for experimentation with new items of expenditure, as well as with new sources of revenue. The basic requirement of this suggestion is, of course, our faith in the need for a complete autonomy in the municipal government. It is, however, not quite feasible in practice. For besides the welfare of the city population, there is also the welfare of the nation at large to be considered. It is possible the unrestrained enthusiasm for civic advancement may induce the city fathers to make experiments, which, even if they are successful from the point of view of the city, may conceivably have an undesirable effect on the country at large. In the interests of the nation at large, or even in the interests of limited sections like the creditors of a city, the central government, or its representative the provincial authority, should reserve a margin of legal powers to interfere, and, if need be, to regulate the affairs of the city, in any case where clearly the city ignores those other interests which it is incumbent upon it to take into account. But to justify such an interference, the Government will have to make out a case for the same: the burden of proof, in other words, will lie on the Government in all such cases. Ordinarily, and in purely civic concerns, however, we think the central interference ought to be abolished, if we really desire a working democracy.

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